

AR25



GENERAL DYNAMICS annual report 1956

1946

1947

1948

1949

1950

1951

1952

1953

1954

1955

1956

GENERAL DYNAMICS

AYELLI
~~AYELLI~~ / 57



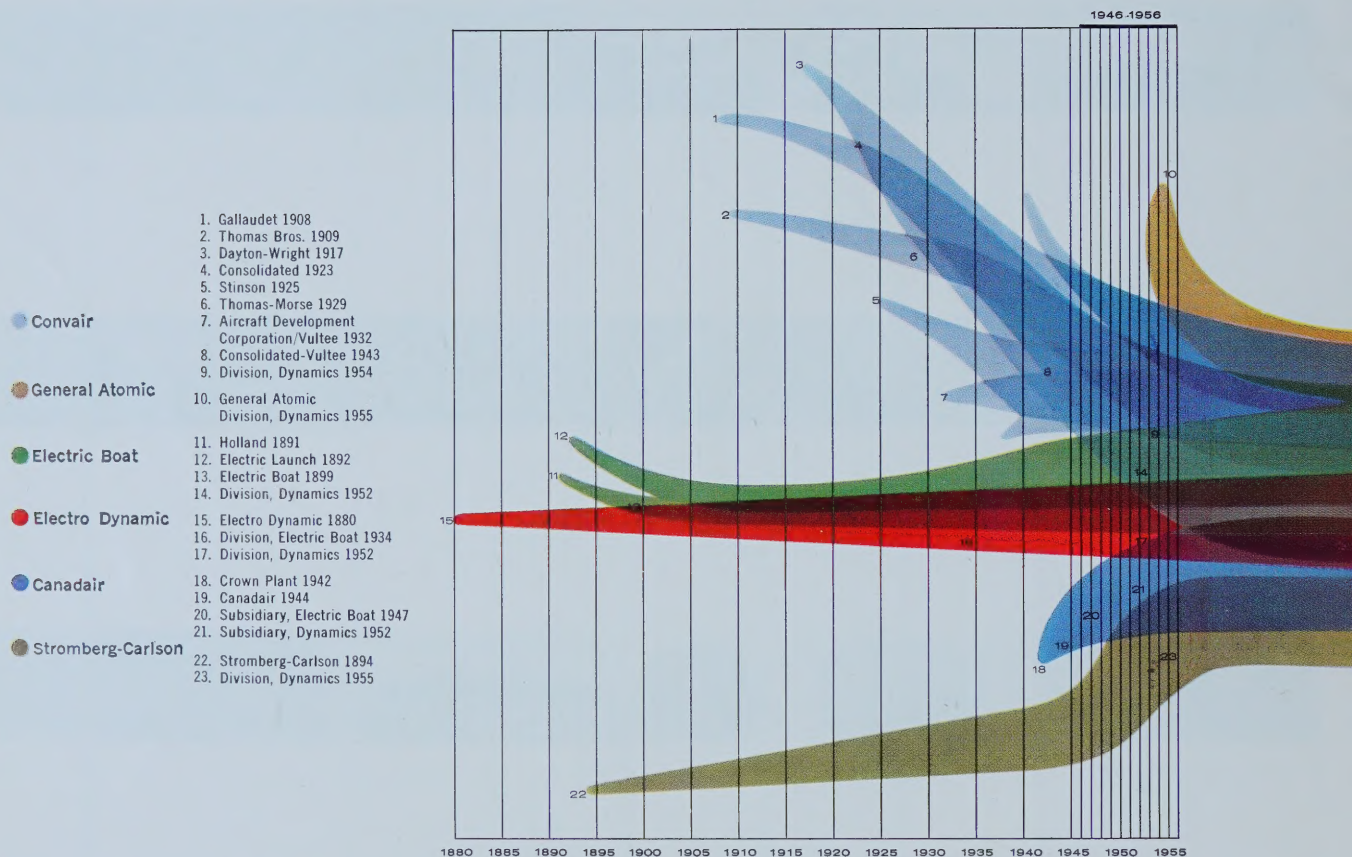
DIVISIONS



annual report 1956

CONTENTS

Results in Brief.....	3
Events in Brief.....	3
President's Letter to the Share Owners.....	4
Aerodynamics.....	8
Astronautics.....	17
Electrodynamics.....	18
Financial Folio	
Financial Review	
Financial History	
Financial Statements	
Report for the year ended December 31, 1956	
Hydrodynamics.....	20
Electronics.....	26
Atomics.....	32
Directors and Officers.....	34



GROWTH

"... the Corporation's oldest operating division, Electro Dynamic, introduced in 1880 perhaps the earliest practical electric motor for small applications ... a pioneer in telephony, radio and electronics, Stromberg-Carlson Division, founded in 1894 ... Electric Boat, organized in 1899 as a successor to the Holland Torpedo Boat Company which built the United States Navy's first submarine ... Convair Division, through its predecessors Gallaudet, Thomas Bros., and Dayton-Wright Aircraft Company, spans the entire history of powered flight ... Canadair Limited, with pioneering antecedents in Canadian aeronautics, became the first mass producer of jet aircraft in the Dominion ... and General Atomic, pioneering research into sub-atomic worlds ..."

[Dynamic America: A History of General Dynamics Corporation]

RESULTS IN BRIEF

	1956	1955
Net Sales.....	\$1,047,818,510	\$ 687,274,182
Profit Before Taxes.....	61,570,397	44,254,386
Net Earnings (including special credit in 1956).....	31,946,995 ⁽¹⁾	21,254,386
Net Earnings per Common Share (including special credit in 1956).....	4.14 ⁽¹⁾	2.82 ⁽²⁾
Cash Dividends.....	13,255,617	10,807,177
Cash Dividends per Common Share.....	1.73 ⁽²⁾	1.47 ⁽²⁾
Working Capital.....	132,590,725	125,275,333
Plant and Equipment (Less Reserves).....	56,983,801	39,032,461
Share Owners' Equity.....	142,146,793	119,302,096
Backlog.....	2,195,000,000	1,610,000,000
Number of Employees.....	94,300	70,500

NOTES: (1) Special credit in 1956 represents nonrecurring profit on sale of subsidiary less applicable income tax—\$2,226,598, equal to \$.29 per common share.

(2) Adjusted to give effect to 3-for-2 stock split in 1956.

EVENTS IN BRIEF

Aerodynamics

B-58, delta-wing "Hustler", America's first supersonic jet bomber, flight-tested for the United States Air Force.

F-102A, delta-wing, supersonic, all-weather jet interceptor continued in quantity production for the United States Air Force.

F-106A, advanced version of the *F-102A*, flight-tested.

Research and development leading to design of Air Force nuclear-powered aircraft, continued.

CP-107, "Argus", largest plane ever built in Canada, first of a number of four-engine Maritime Reconnaissance aircraft, readied for flight tests for the Royal Canadian Air Force.

F-86, Mark VI, "Sabre" jet, almost 1600 now delivered to the Canadian Government; 225 new "Sabre" jets ordered by West German Government.

"Terrier", supersonic, surface-to-air guided missile, continued in quantity production for the United States Navy.

"Metropolitan" 440, commercial transport orders totaled 126.

Convair "880", new 615 miles-per-hour commercial jet transport, engineering and tooling preparatory to production; 40 ordered by Trans World Airlines and Delta Airlines.

Astronautics

Development of "Atlas", the Intercontinental Ballistic Missile, continued for the United States Air Force.

Construction started on new \$40,000,000 facility for production of "Atlas".

New research programs initiated in preparation for space-flight operations and space travel.

Electrodynamics

Record production, new business and backlog for industrial and marine motors supplied to commercial customers and the United States Navy.

Hydrodynamics

USS Nautilus approached "20,000 Leagues", or 60,000 miles under nuclear power; Corporation cited by United States Navy for "dedicated efforts, imagination, and splendid teamwork".

"Seawolf", United States Navy's second nuclear submarine, readied for sea trials. United States Navy's nuclear-powered submarines "Skate", "Skipjack", and "Triton"—world's largest underwater vessel—under construction, on schedule.

USS Darter; Corporation cited by United States Navy for completion 6 months ahead of schedule.

"Atun" and "Merlin", diesel-powered submarines for the Peruvian Government, readied for launching.

Submarine Simulator completed for the United States Navy.

Robinson Research and Development Building completed and dedicated.

New engineering building and cafeteria constructed.

Electronics

"XY" dial switchboard, telephone, "Hi-Fidelity" and sound equipment, continued in quantity production.

All-transistorized electronic telephone switchboard developed.

"Tacan", an advanced electronic Tactical Air Navigation system, in quantity production for the United States Air Force.

"Charactron" Shaped-Beam tube, 19-inch size in quantity production for the United States Air Force; new 7-inch size developed to transmit 1,200,000 characters a minute.

"Digimatic", an all-electronic automatic machine-tool control device developed.

"Pagemaster", an electronic personalized paging device, readied for production.

Plant of 800,000 square feet purchased at Rochester, N. Y., for establishment of an "Electronics Center".

Atomics

John Jay Hopkins Laboratory for Pure and Applied Science dedicated at La Jolla, California.

Contract received from United States Atomic Energy Commission for feasibility study of a gas-cooled nuclear propulsion system for oil tankers.

PTR materials-testing nuclear reactor engineering completed; manufacture and assembly begun for the Canadian Government.

Research reactor of exceptional safety, utility and economy designed for completion in 1957.

TO THE SHARE OWNERS:

The conclusion of the year 1956, marking for me a full decade of responsibility for executive direction of our enterprise, is an occasion appropriate, I believe, for reflection upon those events, changes and pioneering advances that have characterized our progress.

In perspective, what stands out from the pattern of these years is the *rightness* of the Corporation's motivating sense of "mission" and of its "systems" concept of service to the military defense, and the economic welfare, of our nation.

The very great capacity for useful work possessed by a corporate entity with capabilities not only for the manufacture of diverse military and consumer products, but also for the pooling of diverse skills, diverse production facilities, and diverse findings of pure and applied scientific research of a very high order, is evidenced by the Corporation's unique products and by its continuous and dynamic and profitable growth.

I am pleased, therefore, to direct your attention to the pictorial pages of this report, and especially to the separate Financial Folio which presents in charts and tables the 11-year history, since the close of World War II, of the Corporation's net sales and backlog; net income and cash dividends; working capital and share owners' equity; employees and payroll; property, plant and equipment; and other pertinent indices of growth. Your analysis of these data will, I am confident, indicate to you that the Corporation's management policies, its extensive resources and facilities, and its vigorous research, development and production programs in aerodynamics, astronautics, electrodynamics, hydrodynamics, electronics and atomics well equip us to profit from present opportunities and to capitalize fully on future probabilities.

Sales and Earnings

For the first time, consolidated net sales of General Dynamics exceeded the billion dollar mark, amount-

ing to \$1,047,818,510 as compared with consolidated net sales of \$687,274,182 in 1955, an increase of fifty-two percent. While aircraft sales continued to be the Corporation's principal source of revenue, substantial increases were reported by the other operating divisions in sales of missiles, submarines, electric motors, telephone, electronic and sound equipment.

Consolidated net earnings of Dynamics for 1956 totaled \$31,946,995, including profit of \$2,226,598 on the sale of a broadcasting subsidiary, equivalent to \$4.14 per common share based upon 7,723,964 common shares outstanding at the year end. In 1955, consolidated net earnings were \$21,254,386, or \$2.82 per share calculated on a comparable basis. I am pleased to report, therefore, that net earnings increased fifty percent over the previous year.

Cash dividends declared in 1956 amounted to \$1.73 per share of common stock as compared with \$1.47 per share in 1955, adjusted to give effect to the 3-for-2 stock split in 1956 and the 2-for-1 stock split in 1955. Total cash dividends declared in 1956 were \$13,255,617, an increase of about twenty-three percent over the \$10,807,177 cash dividends declared in 1955, although conservatively only forty-one percent of net earnings for 1956. It was the 21st consecutive year in which cash dividends were distributed. Earnings retained for use in the business totaled \$18,691,378 in 1956, an increase of seventy-nine percent over the previous year's figure of \$10,447,209.

Net worth of Dynamics and its subsidiaries at the 1956 year end amounted to \$142,146,793 as compared with \$119,302,096 at the 1955 year end.

Despite the increase of fifty-two percent in net sales, the backlog of Dynamics and its subsidiaries, based on contracts, firm orders and letters of intent, rose during the year some thirty-six percent to a record high of \$2,195,000,000 as compared with the previous year's figure of \$1,610,000,000. Contracts under negotiation at December 31, 1956 were estimated at an additional \$510,000,000.

The View from Eleven Years

In retrospect, the year 1946 was one of difficult problems and stringent solutions. American defense industries, you will recall, were coping none too successfully with the rigors of conversion to peace. Despite the lesson of World War I, and the already evident aggressive intent of the Soviet Union, the periodic disarmament cycle was once again beginning to impair the nation's defensive capabilities.

Together with a few other industrialists of some international experience, I saw little hope of a permanent peace in the post-war chaos of Eastern Europe and of Asia, and many times went on record to this effect in the immediate post World War II period. Although ours was not the popular view, there was a clear and present danger to our nation and to its institutions. In my first Annual Report to you I noted, "There can be no higher duty for each citizen and each production unit than to exert every effort to aid this country in remaining alert and well-fortified for the protection of our freedom and civilization."

In addition to a deep concern with national security, and the consequent moral obligation to so direct our company that it would be prepared to help our country in any emergency, there was also the primary responsibility of charting a course which would both protect and enhance the interests of the share owners.

If, as I had come to believe, world peace could be maintained only through the obvious deterrent power of the United States and its allies, then the defense industry offered for the future not only one of the best possible areas for further corporate product diversification but also, and in broader perspective, a constructive counter-cyclical force within the national economy.

Furthermore, close association with various significant war-time scientific projects and their peacetime potentials had resulted in a growing understanding of the vital importance of vigorous and comprehen-



sive research and development of a special nature in the post-war industrial world.

Research and Development

Those early post-war years were an unusually stimulating and productive period of revolutionary change. A tidal surge of scientific inquiry and technical progress followed the vast energy expenditures of World War II. Once again we were beginning to perceive a universe of new dimension and new beneficence. Scientific breakthroughs occurring on all fronts profoundly affected traditional technology.

Particularly fascinating were the vast possibilities for creative economic change inherent in new approaches to aerodynamics, hydrodynamics, electronics, atomics and astronautics, or space flight. The principle of jet propulsion was beginning to revolutionize powered flight and, in consequence, the art and science of aerodynamics. War-time research programs were developing the entirely new science of electronics. With the imminence of nuclear power, greater under-water propulsion systems were being planned, initiating the greatest changes in hydrodynamic design since 1900. Rocket and missile research, culminating in experimental flights at extremely high speeds and altitudes, indicated that navigational systems, fuels and power plants could be developed for intercontinental ranges, for the upper atmosphere and beyond, even into space itself. Dwarfing any other war-time achievement was, of course, the breakthrough in physics which made possible the controlled release of nuclear energy, with its promise of revolutionary and humanitarian benefit to all peoples of all nations.

Systems Concept

Under the impact of the new technology, the philosophy, nature and direction of national defense and, indeed, of the national economy, were radically

changed. Indispensable now to the research, development and production of nuclear-powered submarines, electronic and automation equipment, supersonic jet aircraft, industrial atomic reactors, and guided and ballistic missiles were complex, multi-project customer-coordinator-supplier relationships demanding extraordinary objectivity, flexibility and control. These new demands were being made not only on operations, but on corporate structure and function as well. And they could be met, we believed, not by one rigid, highly centralized, corporate unit, but only by "systems" of separately managed industrial entities, each assuming its specific part of the total operating task, but each assisted and guided, and all coordinated, by an objective "steersman", embodied in a Board of Directors, a representative Board of Management and an advisory Board of Consultants.

Mission

Whatever success has attended our efforts since 1946 has been due in large measure, I believe, to the development of this new concept of corporate management and to what can be adequately described only as a sense of corporate mission.

The basic, motivating concept of "mission" influenced an early decision, against the public trend and at very considerable cost, to conserve then those priceless human and material resources which were later to prove so vital to the successful design, construction and performance of the world's first nuclear-powered vessels, and to the transition, in advance of our enemy, from an oil-powered to an atomic-powered navy. It was this sense of corporate mission, also, which prompted such decisive moves as the acquisition of Canadair Limited in 1947, the genesis of the General Dynamics corporate entity in 1952, the merger of Convair in 1954, the merger of Stromberg-Carlson in 1955, and the creation of the General Atomic Division with its group of world-famous nuclear scientists, unique in industry.

It was the basic philosophy of a corporate eco-

conomic and military "mission" that impelled me in 1952 to begin a four-year program of speeches and publications to acquaint the people of the United States and Canada, western Europe and southeast Asia, with the political and economic significance of the then unheralded "Atomic Revolution", now recognizably here.

Growth Dynamics

The results of these endeavors have served to educate the Dynamics management to the fact that growth depends upon concentrating our gaze on the future and not on the past, upon doing our own thinking, and upon having the courage to act on it. However gratifying we find the record of eleven years of continuous corporate growth, it is meaningful only when viewed as a process for accumulating those resources of plant, finance and personnel, and for generating that impetus, requisite for growth. Growth not for the sake of size, but to acquire the capacity to perform prodigies of useful work.

We are fortunate, indeed, to possess resources as extensive and varied as those currently enjoyed by the Corporation. Yet, resources per se do not guarantee progress. Resources must be coordinated to achieve form and purpose; concentrated to develop thrust and endurance; and controlled to attain precision and impact. These are the functions of leadership, the highest type of management capability on all levels, the indispensable factor of growth dynamics.

From a highly centralized organization, local in character and specialized in purpose, General Dynamics has emerged as a planned industrial complex of national and international scope operating under a new "systems" concept of management, and with a clearly defined corporate purpose.

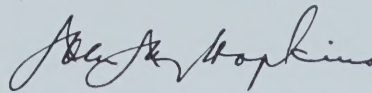
Future

A future of automation, of electronic communication faster than thought, of nuclear energy, of

Mach 2 plane speeds, of ballistic missiles, and of interplanetary space flight must greatly increase management's scope and management's responsibilities. It is worth noting that management decisions being taken now with respect to impending scientific and technical developments must strongly influence the future of the Corporation, of the nation, and eventually of the entire world. It is, therefore, a prime obligation of Directors and Management to see to it that the General Dynamics executive-scientist-engineer-employee team is more than equal to meeting the economic, military and social challenges of our age.

Proof of the Corporation's management capabilities may be seen in the charts, statistics and pictorial records of an ever increasing flow of aircraft, missiles, submarines, electric motors, electronics and telephonic equipment. Such increases in quantity production in such diverse fields are not accidental. They result from our unique "systems" concept, from a profound sense of corporate "mission", and from our investment over the years in the research and development programs and in the productive facilities required to fulfil that mission.

My appraisal of the Corporation's immediate future, therefore, is based upon the convincing evidence of an increasing production of goods and services in quantity demand by major customers. With such sound indicators of corporate growth pointing the way to commanding positions in many fields, I have no hesitancy in forecasting that current record sales and earnings will be well surpassed in the coming year of 1957.



CHAIRMAN AND PRESIDENT

Submitted for the Board of Directors
March 25, 1957

AERODYNAMICS



Ten years of aerodynamic research and development, of plant expansion, of cumulative technical and manufacturing competence, is represented in current production of supersonic jet interceptors, huge four-engine reconnaissance planes and supersonic guided missiles. In range, speed, and payload, each aircraft and missile multiplies many times over the effectiveness of earlier counterparts.

In 1946, the Convair-designed and built XP-81 combination turboprop-turbojet pursuit plane flew faster than any World War II fighter. In 1956, Convair's delta-wing supersonic all-weather F-102A jet flies more than twice as fast, at stratospheric altitudes.

Ten years ago, the Canadair-built "North Star" transport had a range of 2,000 miles and its 4 Rolls-Royce Merlin engines developed 7,000 horsepower. In 1956, the giant "Argus", now in production at Canadair, develops more than twice this horsepower and has a range of over 4,000 miles.

Below, final fuselage assembly operations on "Argus", prior to mating of wings.

At left, (1) Design detail of pattern formed in dynamic etching for strength and lightness of F-102A component. (2) Convair workers rivet "Metropolitan" 440 fuselage to wing fairing. (3) Manufacture of wing sections in Canadair's F-86, Mark VI "Sabre" jet assembly line.



At right, on gatefold, craftsmen check F-102A surface controls, fire controls, hydraulic and pneumatic systems, brakes, landing gear, and pressure integrity of fuselage and cockpit. Last sequence in final assembly is installation of power plant, tail-cone, radome and canopy. Each plane requires 3600 sub-assemblies, 16 miles of electrical circuits, team effort of 8,000 employees.









After successful field operations checkout, F-102A's are readied for take-off to Convair production flight test center at Palmdale, California, before delivery to the United States Air Force.

These planes have been fueled, fuel indicators checked, all primary and secondary systems tested, and a mechanical safety check made of all areas. Planes are then moved to sound-suppression chambers shown at left of picture, where engines are de-preserved and given first "green" run in the plane. If all systems, including a final engine run, check out these planes are ready for "pre-fighting." All systems are then serviced, all areas are sealed and planes are released to pilots for flight to Palmdale.

During flight, pilot puts plane through shakedown, checking controls, stability, landing gear and over-all feel. At Palmdale, canopy is removed, engine protected with an oil preservative and plane is given final coat of paint. Canopy is then re-installed and plane receives its electronic fire control system. After Convair and Air Force specialists make a final comprehensive check of flight characteristics, the F-102A is ready for acceptance.

Already designed, manufactured and now being flight tested is F-106A, an even more advanced jet interceptor.



In 1946, principal long-range anti-aircraft weapon of the United States Navy was the dual-purpose 5-inch "38" gun. In 1956, "Terrier" supersonic surface-to-air missile, *at left on gatefold*, has far greater range and is "infinitely more accurate." Forerunners of an all nuclear-powered, guided-missile fleet, the United States Navy's 32 new destroyers will be equipped with guided missiles.



Product of a decade of continuous improvement in design and performance, the famous Convair-Liner "Metropolitan" 440 develops higher speeds and carries a 60% greater payload than the 240, its 1946 predecessor. Equipped with rectangular exhaust silencer at aft end of each engine nacelle, special noise-free window assemblies, and extensive acoustical materials on interior surfaces, the "Metropolitan" affords more quiet in-flight comfort than any other medium-range transport. Production currently stands at 8 per month; with orders now totaling 150.

With more than twice the speed of the Convair-Liner, the new Convair "880" jet transport will be the world's fastest airliner. This 615 m.p.h. transport will have a range designed to service air traffic routes from 200 miles to 2,000 miles with a maximum range of 3,900 miles. The jet "880" will be able to operate from runways of existing commercial airports in virtually every important city in the United States. Definitive contracts totaling approximately \$200,000,000 have been signed with Trans World Airlines, Delta Airlines, and Transcontinental S. A., for a total of 44 planes to date.

At right, above, (1) Convair engineers study design of long-range tail-cap antenna on copper screen "880" scale model which simulates electrical conduction characteristics of actual plane. (2) Adjustments are made as technician readies scale model of Convair "880" jet transport for wind tunnel trial runs.



Canadair's CP-107 "Argus", *below*, undergoes fuel flow-test prior to engine run-up. Bulge under nose is housing for elaborate radar search screen. With this and other detection devices, and electronics systems inside the fuselage, "Argus" will pick up and position surface ships or submarines at 175 to 200 miles per hour; can operate 1,000 miles from base. Specialists of the "Argus" crew will man the most comprehensive electronic detection equipment ever installed in any aircraft. A multi-million-dollar contract has been received by Canadair from the Canadian Government for a CL-44 turboprop transport of the same basic "Britannia" design as "Argus".





The B-58 supersonic bomber represents a current high point in the swiftly advancing state-of-the-art technology. As such, it demonstrates outstanding achievement not only in aerodynamics, but in electronics, precision propulsion, materials and structure research, and human engineering.

The B-58 is a fully integrated "weapons system" with air frame, power plant and controls designed to an interdependent unit, to specifications with demands speeds beyond those of any previous bomber in similar payload and range categories. Aerodynamic test, structural stress, and control problems posed by these very high speeds required a vast research and development program followed by manufacturing operations so complex that a new management concept was pioneered to coordinate effectively all the various programs involved. This concept, known as "weapons system management", is a partnership between Convair-Fort Worth and the United States Air Force. Subject to technical and budgetary supervision by the Air Force, Convair, as the "systems manager", is responsible for the completed plane which must conform in all respects to Air Force specifications and mission requirements. All shelf and development components, produced by 8,000 suppliers, from 46 states, ranging from tiny transistors to powerful J-75 jet engines, were coordinated by Convair with the design and manufacture of the air frame.

At left, above, B-58 in flight shows advanced aerodynamic design of detachable jet carried between inward engines.

Below, low-power nuclear reactor designed and built by Convair-Fort Worth about to be lifted into fuselage of a B-58 bomber. Reactor does not power aircraft, but is activated in flight to study methods of shielding crew, equipment and aircraft systems against radiation.







ASTRONAUTICS

Scientifically designed personnel equipment is essential for human protection at speeds above Mach 1. Experimental pilot helmet is sculptured by craftsman, *left*, at Convair's Human Engineering Group Laboratory. Typical experimental helmet is visible at right of picture. Research programs in human engineering, upper-atmosphere medicine, and bio-astronautics will become increasingly important as men prepare to explore the solar system.

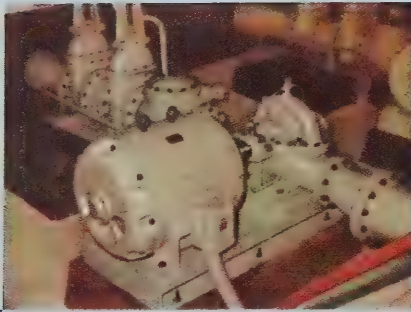


Astronomers and astrophysicists in the last few hundred years have learned to understand the dynamics of celestial bodies and to analyze stellar and interstellar matter. In recent decades, chemists and nuclear physicists have devised ways of tapping energy sources powerful enough to project man into an extra-terrestrial or outer-space environment. Today, engineers are developing means of putting this energy to work in manned aircraft of advanced design, and missiles such as "Terrier" and "Atlas", the Intercontinental Ballistic Missile now being developed for the United States Air Force by Convair-Astronautics.

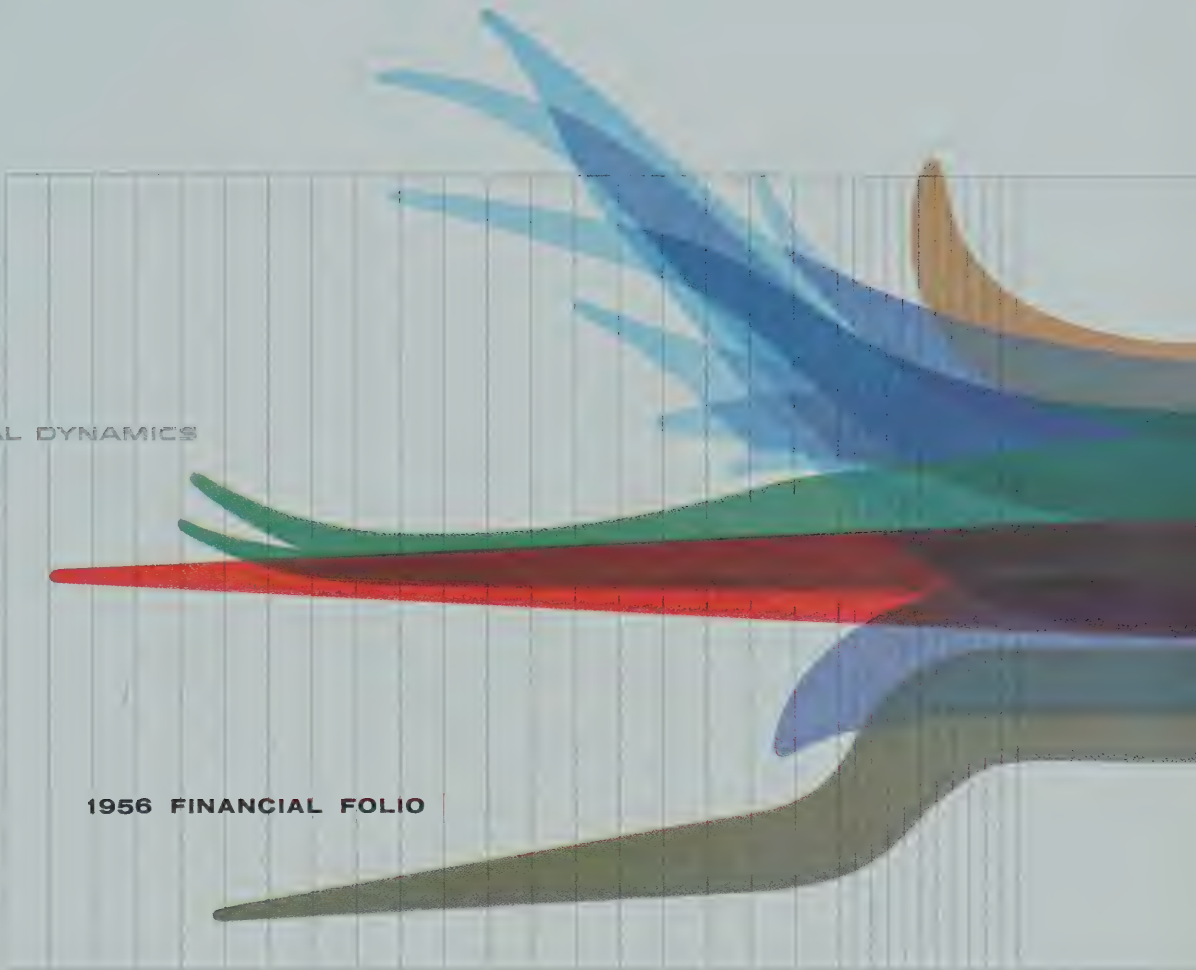
The achievement of manned space flight is likely to follow an orderly development along four main lines—and possibly a fifth—each assigned to a broad band of space exploration. Probable developmental steps are: 1. Exploration of the outer fringe of the terrestrial atmosphere by means of manned orbital vehicles capable of making several revolutions around the earth before drag forces a landing. Major objectives of this preliminary stage of space flight development would be twofold: Adaptation of men and machines to the conditions of high ascending accelerations necessary to attain operating altitude; and assembling more data about man's existence in the environment of space. 2. At considerable altitudes above the earth's atmosphere, satellites—permanent manned space stations—will serve first as space laboratories, later as launching bases for further exploration of space by other vehicles. 3. Operations in earth-moon space for exploration of our nearest celestial neighbor. Here, such explorations would enable us to "get the feel" of space. 4. Interplanetary flight. 5. In the far-distant future, perhaps interstellar and intergalactic flight.

ELECTRODYNAMICS

Solidly established in a basic growth industry, Electro Dynamic Division demonstrated significant progress in its 76th year. During 1956, production, shipments, and new business increased substantially. Considerably more than half of the Division's business is now in industrial fields, although it continues to be an important supplier to the United States Navy and commercial marine customers. A broad program of expansion and new product development is the Division's long-range objective. Today's modern A. C. and D. C. motors, as built by Electro Dynamic, provide rated horsepower and specified performance characteristics with a twenty percent reduction in both weight and size.



At top, 250-horsepower A. C. motor drives large-capacity pump at Baltimore's Pikesville water-pumping station. At top left, small horsepower motors on production line after machining, winding, dipping, and baking. Center and right, 400-horsepower Electro Dynamic motors that power air-conditioning equipment on new luxury liners. Left, finished 10-horsepower standard industrial A. C. motors come off production line ready for crating. Bottom, 30-inch diameter frame for large horsepower A. C. motor is machined on 64-inch vertical boring mill.

An abstract graphic design featuring a grid of vertical lines. Overlaid on the grid are several overlapping, elongated, and somewhat jagged shapes in various colors: light blue, dark blue, green, red, and brown. The shapes appear to be layered, with some in the foreground and others behind. The overall composition is dynamic and modern.

GENERAL DYNAMICS

1956 FINANCIAL FOLIO

contents

Financial Review	3-9
Financial History 1946-1956	
As Reported	10-11
Pro Forma (including merged companies)	12-13
Consolidated Balance Sheet . . .	14-15
Consolidated Income	16
Consolidated Earned Surplus . .	17
Consolidated Capital Surplus . .	17
Notes to Financial Statements .	18
Auditors' Report	19

Results in brief

	1956	1955
Net Sales	\$1,047,818,510	\$ 687,274,182
Profit Before Taxes	61,570,397	44,254,386
Net Earnings		
(including special credit in 1956) . . .	31,946,995 ⁽¹⁾	21,254,386
Net Earnings per Common Share		
(including special credit in 1956) . . .	4.14 ⁽¹⁾	2.82 ⁽²⁾
Cash Dividends	13,255,617	10,807,177
Cash Dividends per Common Share	1.73 ⁽²⁾	1.47 ⁽²⁾
Working Capital	132,590,725	125,275,333
Plant and Equipment (Less Reserves) . .	56,983,801	39,032,461
Share Owners' Equity	142,146,793	119,302,096
Backlog	2,195,000,000	1,610,000,000
Number of Employees	94,300	70,500

NOTES: (1) Special credit in 1956 represents nonrecurring profit on sale of subsidiary less applicable income tax—\$2,226,598, equal to \$.29 per common share.

(2) Adjusted to give effect to 3-for-2 stock split in 1956.

FINANCIAL REVIEW

The period from 1946 to 1956 has been one of significant achievement for the Corporation, with the result that consolidated net sales in 1956 exceeded one billion dollars. Many new products, discussed in other sections of this report, have contributed to this record volume.

In 1946, as in World War II, operations of the Corporation were conducted through three divisions, the Electric Boat Division, the Electro Dynamic Division and the Elco Division (since liquidated). Since then the following important acquisitions have contributed materially to the growth of the Corporation: In 1947, Canadair Limited, a major aircraft manufacturer in Canada, was acquired as a subsidiary; in 1954, Consolidated Vultee Aircraft Corporation, a major domestic aircraft manufacturer, was merged into the Corporation; in 1955, Stromberg-Carlson Company, a leading manufacturer of telephone, electronic, and sound equipment, was merged into the Corporation.

As an example of the increased scope of the Corporation's activities, annual sales as reported by the Corporation for the last 11 years have, with minor exceptions, shown a constant upward trend (*chart, below left*) resulting in 1956 sales of \$1,047.8 million, approximately 72 times greater than sales of \$14.4 million reported for the year 1946. On the same basis, the

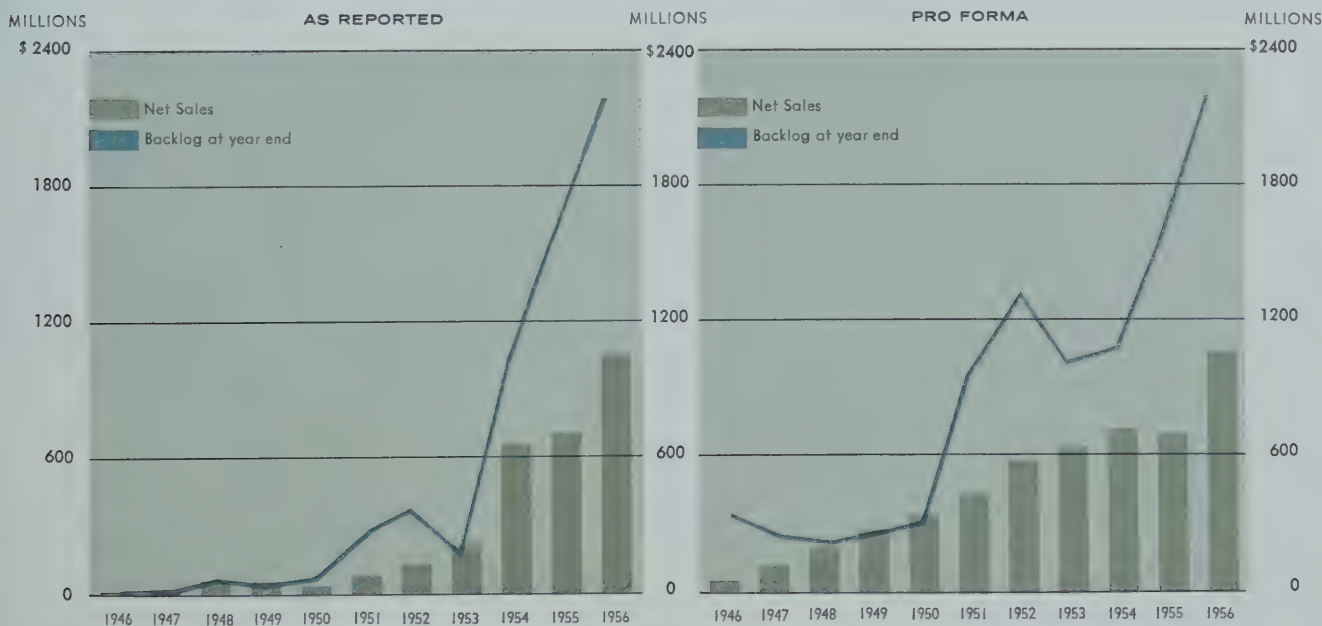
estimated backlog of orders rose from \$4.5 million at the 1946 year end to \$2,195.0 million at the close of 1956.

In view of the major corporate developments previously mentioned, the historical data reflected by the charts and tables in this report have been presented on a "Pro Forma" basis as well as on an "As Reported" basis in order to provide full and complete comparisons with current statistics. The "As Reported" charts and tables present the statistics applicable to the Corporation as reported annually to share owners. Those described as "Pro Forma" present the statistics of the Corporation combined with those of Consolidated Vultee Aircraft Corporation and Stromberg-Carlson Company for periods prior to their mergers into the Corporation.

The "Pro Forma" chart (*below, right*) shows an equally impressive expansion in the increase of sales from \$50.4 million in 1946 to \$1,047.8 million in 1956, and in the rise in estimated year end backlog from \$349.3 million to \$2,195.0 million. The charts and tables appearing on succeeding pages illustrate other significant aspects of this growth period.

All statistics with respect to shares outstanding and per share amounts included in the following text and tables have been adjusted, where applicable, to reflect

NET SALES AND BACKLOG



stock splits (3-for-2 in 1956 and 2-for-1 in 1955) and stock dividends.

Sales and Earnings

Sales of the Corporation and its subsidiaries in 1956 exceeded all prior years and established an all-time high of \$1,047,818,510. This figure compares with sales of \$687,274,182 in 1955, and represents an increase of over 50%. While aircraft sales continue to be the principal source of revenue, substantial increases were reported by all divisions of the Corporation in the sale of missiles, telephone, electronic and sound equipment, submarine construction, and electric motors. Deliveries in 1956 of military aircraft, particularly F-102A all-weather supersonic jet interceptors for the United States Air Force, and commercial aircraft, Convair "Metropolitan" 440's for United States and foreign airlines, far surpassed those of the preceding year. Missile sales, principally "Terrier" guided missiles and development work on the "Atlas" Intercontinental Ballistic Missile, have continued to rise.

Profit before taxes of the Corporation and its subsidiaries amounted to \$61,570,397 in 1956 as compared with \$44,254,386 realized in the previous year. Profit before taxes in 1956 was equal to 5.9% of sales as com-

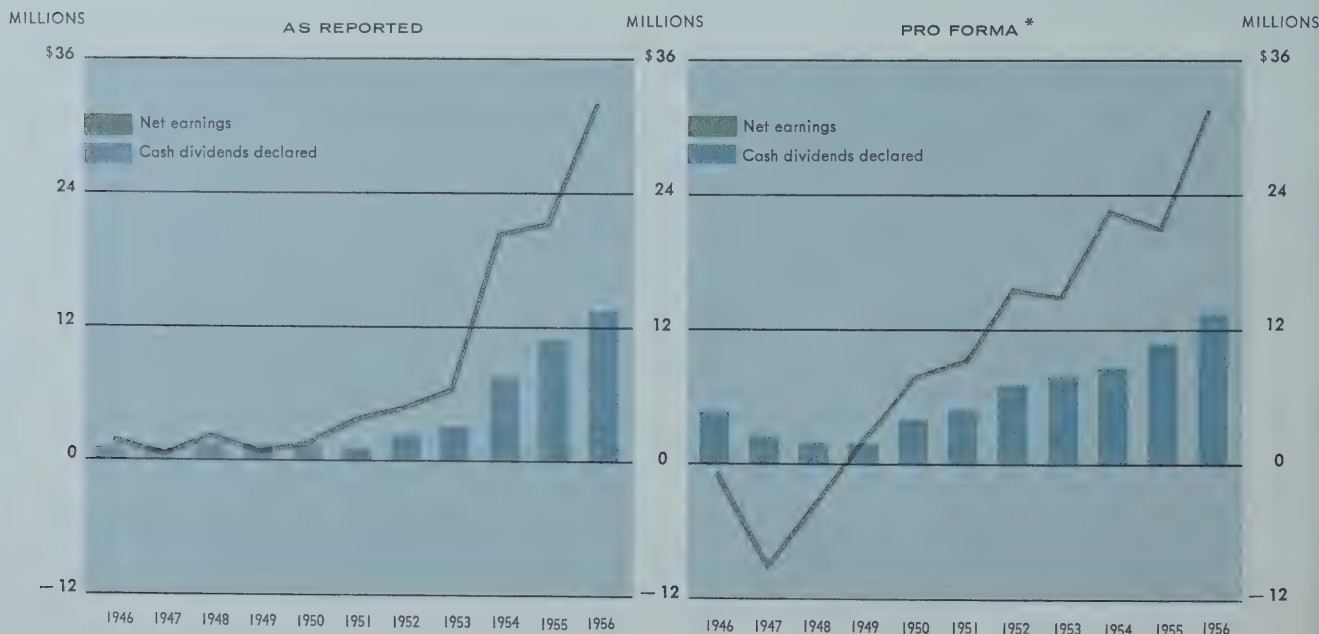
pared with 6.4% in 1955. This decline in profit margin is due primarily to the expansion of the Corporation's scientific research and development programs, including the development of the new four-engine jet transport, the Convair "880", which was undertaken in 1956. It is the management's belief that sound research and development programs are essential to maintain and improve the Corporation's future sales and earnings.

Provision for United States and Canadian income taxes in 1956 amounted to \$31,850,000 as compared with \$23,000,000 in 1955. Since the effective tax rates in these years were identical, this increase is attributable solely to the substantial increase in pretax income over 1955.

Net earnings of the Corporation and its subsidiaries in 1956, after provision for United States and Canadian income taxes, amounted to \$31,946,995, exceeding by 50% net earnings for 1955 of \$21,254,386. In this connection it should be noted that 1956 net earnings include a special credit of \$2,226,598, equal to \$.29 per common share, representing the profit after applicable income tax on the sale of a subsidiary engaged in broadcasting operations.

Net earnings for 1956 before the special credit referred to above were equal to \$3.85 per common

NET EARNINGS AND CASH DIVIDENDS



*The net income or loss of Consolidated Vultee Aircraft Corporation reflected herein has been restated to apply recoveries and adjustments of Federal income taxes arising from loss carry-forward provisions to the year of loss.

share based on the 7,723,964 shares outstanding at the year end. Net earnings for 1956 including the special credit equaled \$4.14 per common share. Net earnings for 1955 were \$2.82 per common share based on 7,517,000 shares outstanding at December 31, 1955.

Backlog

The estimated backlog based on contracts, firm orders and letters of intent at December 31, 1956 totaled \$2,195,000,000, an increase of \$585,000,000 over the backlog at the preceding year end. This increase despite record sales is evidence of continued growth and the expansion of activities. Military orders which contributed materially to the 1956 backlog increase included those for the United States Air Force F-102A, F-106A and F-106B supersonic jet interceptors, the United States Air Force supersonic bomber, the B-58 "Hustler", and the F-86 Mark VI "Sabre" jets for the West German Government.

Important commercial orders booked in 1956 included definitive contracts for forty Convair "880" four-engine jet transports as well as new orders for an additional 57 Convair "Metropolitan" 440 airliners, increasing total orders for this latter aircraft at the year end to 126. Additional orders for the Convair "880" and

"Metropolitan" 440 have since been received in 1957.

Dividends

On July 26, 1956, the Board of Directors authorized a 3-for-2 stock split. The resulting additional shares were distributed to shareholders November 10, 1956.

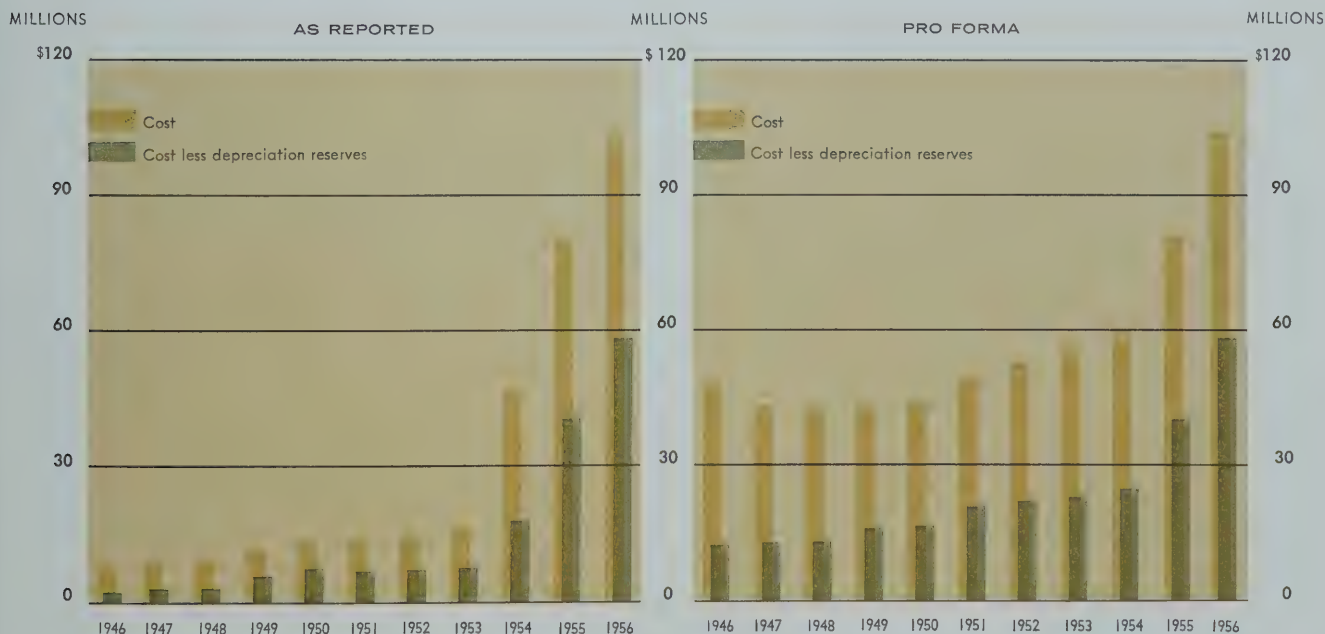
The year 1956 was the twenty-first consecutive year that cash dividends have been distributed to common share owners of the Corporation or its predecessor, Electric Boat Company. In terms of the presently outstanding stock, cash dividends declared in the first and second quarter were at the rate of \$.36½ per share, while the third and fourth quarter dividends were at the rate of \$.50 per share. On an annual basis, cash dividends declared in 1956 of \$1.73 per share compares favorably with the \$1.47 per share declared in 1955.

Cash dividends declared in 1956 aggregated \$13,255,617, an increase of 23% over cash dividends of \$10,807,177 declared in 1955.

Working Capital

At December 31, 1956, working capital (current assets less current liabilities) amounted to \$132,590,725, an all-time high. This compares with working capital at the end of 1955 of \$125,275,333. Working capital at the end of 1956 was equal to \$17.17 per common share as

PROPERTY, PLANT AND EQUIPMENT



compared with \$16.67 per common share at the end of 1955.

During the year, working capital increased by \$7,315,392, notwithstanding the demands for additional plant facilities and other capital expenditures as a result of increased production requirements. The following summary sets forth the principal transactions affecting working capital during 1956:

These items increased working capital:

Earnings for the year	\$31,946,995
Provision for depreciation and amortization	7,311,484
Proceeds from sale of stock to employees under stock option agreements	3,920,973
Net increase in long-term debt	1,378,325
Miscellaneous	2,851,690
	<u>\$47,409,467</u>

These items decreased working capital:

Cash dividends declared	\$13,255,617
Additions to plant and equipment	26,838,458
	<u>\$40,094,075</u>
Net increase in working capital	<u>\$ 7,315,392</u>

At December 31, 1956, current assets totaled \$372,314,775—approximately 1.6 times more than current liabilities at that date. Current assets included cash of \$39,052,637, or 10% of total current assets.

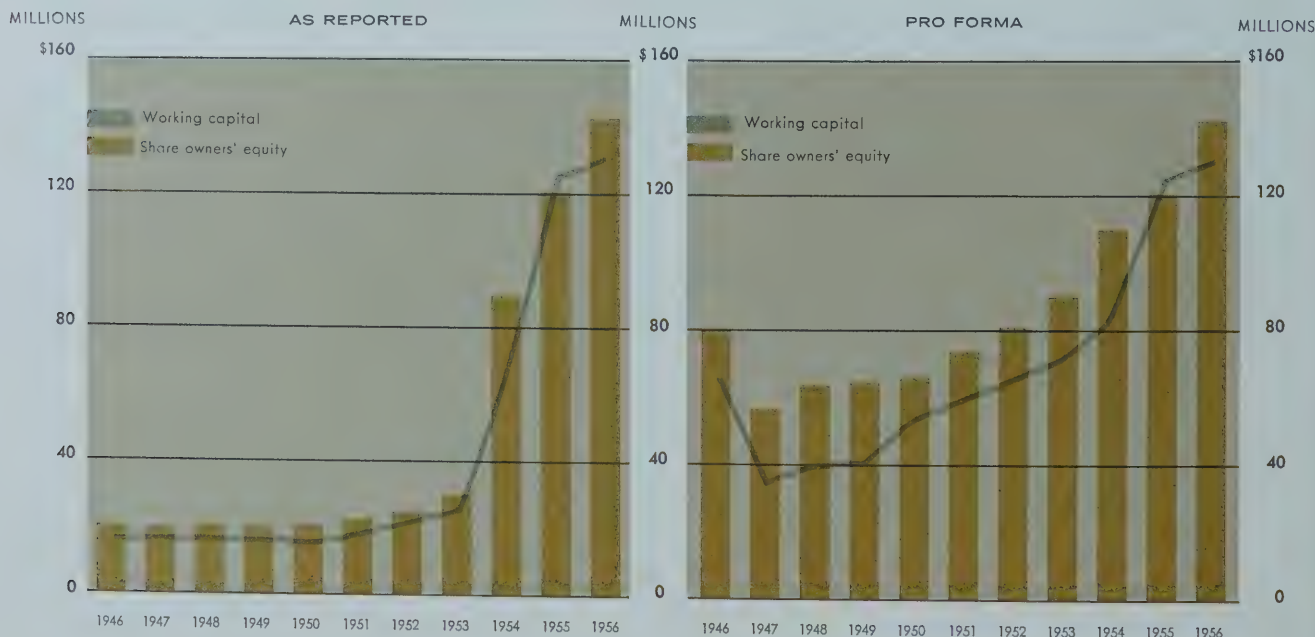
Accounts receivable at the end of 1956 aggregated \$48,507,208 and represented 13% of total current assets. Of this amount \$20,185,707 was due in the ordinary course of business from the United States and Canadian governments, and \$28,321,501 was due from other customers.

Unreimbursed expenditures and estimated profits on aircraft and ship contracts in process totaled \$121,969,358, or 33% of total current assets at the end of 1956. Inventories, less progress payments, aggregated \$158,458,775, or 43% of total current assets. Prepaid expenses at the year end amounted to \$4,326,797, or 1% of current assets.

Stromberg-Carlson Credit Corp.

With money in short supply in 1956, the services of this subsidiary to the independent telephone companies were greatly enhanced. In connection with the Corporation's telephone business, the credit corporation, a

WORKING CAPITAL AND SHARE OWNERS' EQUITY



wholly-owned subsidiary not consolidated in the accompanying financial statements, provides long-term financing where necessary for the expansion and modernization of telephone services. Loans outstanding during 1956 were increased over the preceding year and as a result earnings increased. Net income in 1956 of \$63,276 compares with \$39,525 in the preceding year.

At December 31, 1956, the credit corporation had total assets of \$8,053,415, including \$6,976,893 of installment notes receivable, substantially all of which were secured by liens on properties or equipment of telephone companies. At the year end, additional obligations for future purchase by the credit corporation, aggregating \$9,564,105, were either financed on an interim basis by certain banks or held by the Corporation.

Long-term debt of the credit corporation at December 31, 1956 was comprised of Collateral Trust Debentures held by an insurance company in the amount of \$7,314,000 and subordinated notes payable to the Corporation of \$375,000.

Long-Term Debt

The principal long-term obligation of the Corporation is its issue of 3½% Convertible Debentures which

matures April 1, 1975. The amount of the original issue was reduced during 1956 to \$39,767,000 as a result of conversions into common stock. The terms of the related Indenture require sinking fund payments of \$2,000,000 annually beginning in 1965 and continuing through 1974. The conversion price as adjusted in accordance with the provisions of the Indenture was \$49.46 per share at December 31, 1956.

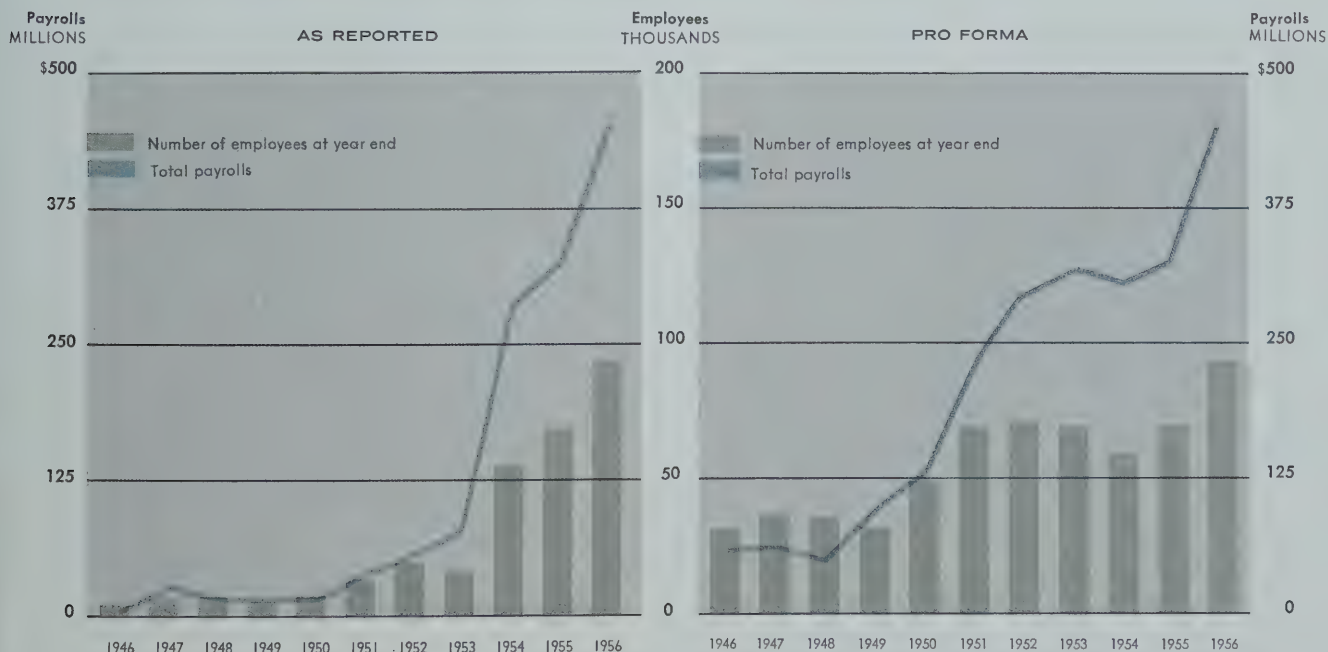
In connection with the acquisition during 1956 of additional plant property for the Stromberg-Carlson Division, the Corporation assumed the mortgage thereon which amounted to \$4,945,000 at December 31, 1956. Quarter-annual payments of \$101,563 are required for the payment of principal and interest with a final payment at maturity, December 15, 1968, of \$1,704,000.

Amounts due to the Canadian Government under plant purchase agreements entered into in prior years aggregated \$8,471,801 at December 31, 1956, reflecting a reduction of \$2,449,375 for principal payments made during the year.

Property, Plant and Equipment

Expenditures for expansion of plant capacity and for

NUMBER OF EMPLOYEES AND TOTAL PAYROLLS



improvement of facilities to meet current production requirements continued to increase in 1956. Additions to property, plant and equipment totaled \$26,838,458 in 1956, as compared with \$21,423,261 in 1955. The increase in plant expenditures in recent years reflects the current trend of government policy, both in the United States and Canada, to have private industry provide a larger share of the plant and equipment necessary to meet military production requirements. The Corporation is cooperating with both governments in implementing this change of policy in a manner consistent with sound business practice. In this connection it is interesting to note that the Corporation's investment in property, plant and equipment has increased from \$12.5 million at the end of 1946 to \$57.0 million at the end of 1956.

The Convair Division began construction in 1956 of a new Astronautics facility for the development and production of the "Atlas" Intercontinental Ballistic Missile; began construction of a new tri-sonic wind tunnel; and expanded engineering facilities.

At the Stromberg-Carlson Division a substantial increase in manufacturing facilities was made possible during 1956 by acquisition of a large, modern plant

located in Rochester, New York. In addition, work progressed satisfactorily on the new research and administration building and on other programs for expansion, modernization and replacement of productive facilities.

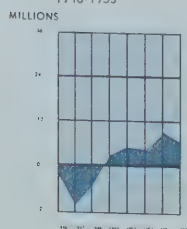
The new Robinson Research and Development Building at the Electric Boat Division was completed and dedicated in 1956; also at Electric Boat, a new engineering building and cafeteria was constructed and put in use; and other yard facilities were expanded and improved to keep pace with the requirements of nuclear submarine construction. At the General Atomic Division expenditures in 1956 were made for engineering and technical equipment and for improving temporary quarters pending construction of the permanent John Jay Hopkins Laboratory for Pure and Applied Science.

To a lesser extent, expenditures were made at Canadair Limited and the Electro Dynamic Division for expansion and modernization of productive facilities.

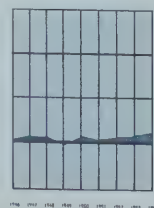
Capital expenditures for 1957 are expected to exceed those for the past year. Appropriations totaling \$54,000,000 (including uncompleted projects carried forward from 1956) have been approved, a substantial part of which is expected to be expended in

NET EARNINGS

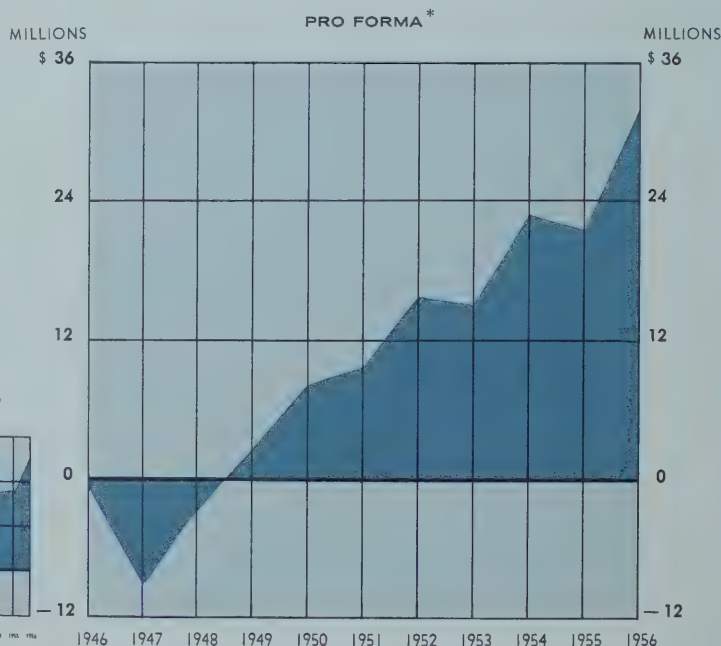
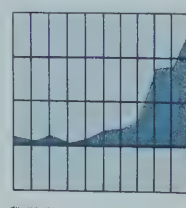
Consolidated Vultee Aircraft Corporation
1946-1953*



Stromberg-Carlson
Company 1946-1954



General Dynamics
Corporation
as reported 1946-1956



*The net income or loss of Consolidated Vultee Aircraft Corporation reflected herein has been restated to apply recoveries and adjustments of Federal taxes arising from loss carry-forward provisions to the year of loss.

1957. Certain of the more important projects scheduled for 1957 are as follows: substantial completion of the new Astronautics missile-production facility and the new tri-sonic wind tunnel, and other production and research facilities at the Convair Division; expansion of telecommunication manufacturing facilities at the Stromberg-Carlson Division; construction of and equipment for the new John Jay Hopkins Laboratory for Pure and Applied Science at the General Atomic Division; and expansion and replacement of facilities to support production programs at Canadair Limited and the Electric Boat and Electro Dynamic Divisions.

Share Owners' Equity

In April 1956, share owners approved a reduction in the stated value of the Corporation's common stock to bring the stated value into line with the par value. Accordingly, the amount of \$8,765,882, representing the excess of the stated value over the par value of shares then outstanding, was transferred from capital stock to capital surplus.

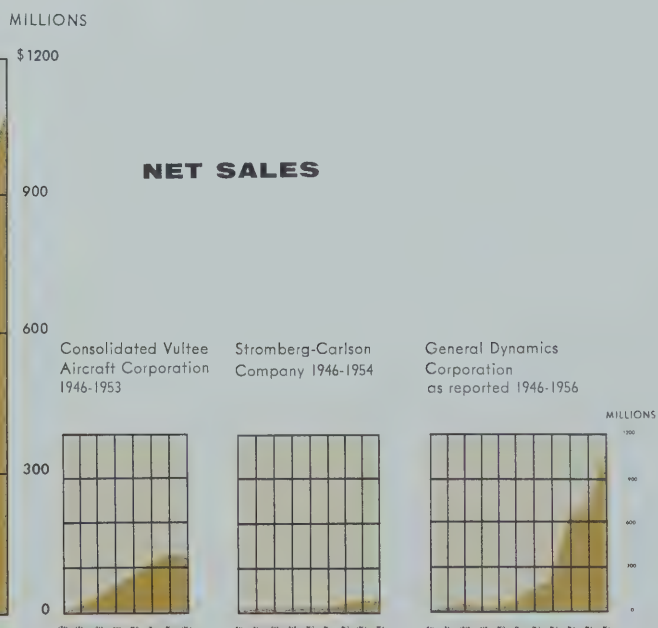
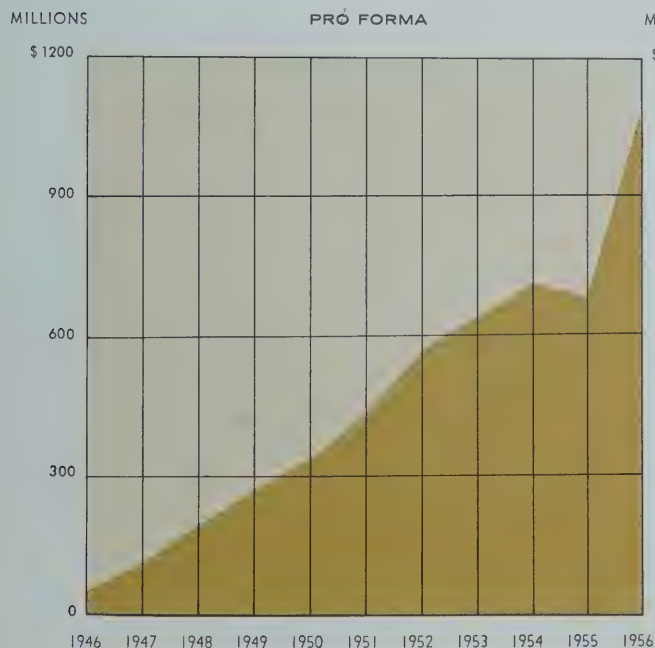
At the end of 1956 there were approximately 40,000 individual share owners of record. In addition, a recent

survey indicates that there were approximately 15,000 additional share owners whose holdings were registered in the names of brokers and nominees. Thus, some 55,000 individual share owners had an equity in the net assets as reflected by the accounts of the Corporation and its subsidiaries of \$142,146,793. This amount was equal to \$18.40 per outstanding common share, as compared with \$15.87 per share at the end of 1955. The increase in 1956 was due primarily to earnings retained for use in the business.

Contingencies

While a substantial portion of the sales for 1956 and 1955 were subject to renegotiation, the management believes that neither the Corporation nor its subsidiaries will be liable for refunds under the renegotiation acts of the United States and Canadian governments and consequently no provision has been made therefor.

There were other contingent liabilities at December 31, 1956, consisting of guarantees, discounted notes receivable, etc., arising in the ordinary course of business but the financial risk involved, in the opinion of the management, was not material.



FINANCIAL HISTORY 1946-1956

	1956	1955	1954	1953
Net sales	\$1,047,818,510	\$687,274,182	\$648,641,241	\$206,644,279
Profit before income taxes	61,570,397	44,254,386	43,895,472	12,693,803
United States and Canadian income taxes	31,850,000	23,000,000	23,100,000	6,475,000
Net income	(2)31,946,995	21,254,386	20,795,472	6,218,803
Cash dividends	13,255,617	10,807,177	7,438,453	2,796,569
Earnings retained for use in the business	18,691,378	10,447,209	13,357,019	3,422,234
Current assets	\$372,314,775	\$249,527,180	\$168,743,907	\$48,511,212
Current liabilities	239,724,050	124,251,847	101,426,207	24,075,074
Net current assets or working capital	132,590,725	125,275,333	67,317,700	24,436,138
Long-term debt (excluding current portion)	52,128,558	50,750,233	2,704,395	10,730,880
Share owners' equity (net worth)	142,146,793	119,302,096	88,729,634	31,184,427
Backlog at end of year	2,195,000,000	1,610,000,000	1,007,800,000	170,000,000
Ratio of profit before taxes to net sales	5.9%	6.4%	6.8%	6.1%
Ratio of income after taxes to net sales	2.8%	3.1%	3.2%	3.0%
Total payrolls	\$445,340,000	\$321,278,000	\$281,121,000	\$78,847,000
Number of employees at year end	94,300	70,500	56,000	17,900
Number of share owners of record at year end	40,050	31,900	18,192	8,424
Preferred shares outstanding at year end	—	—	—	157,481
Common shares outstanding(1)	7,723,964	7,517,000	6,549,870	2,523,393
Net income per share of common(1)	(2)\$4.14	\$2.82	\$3.14	\$2.34
Cash dividends per share of common(1)	1.73	1.47	1.17	1.00
Working capital per share of common(1)	17.17	16.67	10.28	6.56
Share owners' equity per share of common(1)	18.40	15.87	13.55	9.24

() denotes reduction

NOTES: (1) Number of shares and per share statistics were computed based upon common shares outstanding at respective year ends adjusted, where applicable, to give effect retroactively to (a) stock splits (3-for-2 in 1956 and 2-for-1 in 1955) and (b) the 5% stock dividend in 1951.

(2) Includes profit on sale of subsidiary less applicable United States income tax—\$2,226,598, equal to \$2.29 per common share.

AS REPORTED

1952	1951	1950	1949	1948	1947	1946
\$134,551,610	\$82,638,055	\$41,754,339	\$45,234,961	\$54,558,099	\$26,925,037	\$14,368,954
10,567,176	7,722,203	2,506,941	1,059,516	4,322,079	558,245	347,586
5,650,000	3,850,000	1,111,000	627,100	2,250,000	(40,600)	(1,200,000)
4,917,176	3,872,203	1,395,941	432,416	2,072,079	598,845	1,547,586
2,112,510	1,031,977	1,207,065	1,382,545	1,386,206	1,037,946	1,041,820
2,804,666	2,840,226	188,876	(950,129)	685,873	(439,101)	505,766
\$56,521,134	\$31,558,201	\$21,472,726	\$22,160,041	\$27,775,685	\$23,331,381	\$18,920,285
34,348,885	12,132,009	6,465,027	5,790,418	10,763,304	6,469,387	1,962,266
22,172,249	19,426,192	15,007,699	16,369,623	17,012,381	16,861,994	16,958,019
3,076,973	3,247,916	3,076,973	3,230,822	—	—	—
26,755,545	23,606,169	19,840,191	19,679,231	20,705,005	20,029,313	20,468,414
372,000,000	267,674,000	91,260,000	45,780,000	60,171,000	31,369,000	4,541,000
7.9%	9.3%	6.0%	2.3%	7.9%	2.1%	2.4%
3.7%	4.7%	3.3%	1.0%	3.8%	2.2%	10.8%
\$58,950,000	\$38,521,000	\$17,615,000	\$17,331,000	\$16,669,000	\$25,929,000	\$8,043,000
19,400	13,000	7,700	6,000	7,260	6,680	3,658
7,340	6,990	6,570	6,350	6,550	6,275	5,500
167,940	168,308	168,311	169,031	171,231	171,531	171,531
2,400,666	2,343,195	2,189,997	2,191,525	2,191,525	2,191,531	2,191,531
\$1.91	\$1.51	\$.48	\$.04	\$.79	\$.12	\$.63
.75	.32	.40	.48	.48	.32	.40
5.74	4.70	3.01	3.61	3.86	3.78	3.82
7.65	6.48	5.22	5.12	5.54	5.23	5.43

FINANCIAL HISTORY 1946-1956

	1956	1955	1954	1953
Net sales	\$1,047,818,510	\$687,274,182	\$712,150,670	\$642,589,372
Profit before income taxes	61,570,397	44,254,386	48,027,226	33,126,174
United States and Canadian income taxes	31,850,000	23,000,000	25,250,000	18,265,000
Net income	(3)31,946,995	21,254,386	22,777,226	14,861,174
Cash dividends	13,255,617	10,807,177	8,330,763	7,446,093
Earnings retained for use in the business	18,691,378	10,447,209	14,446,463	7,415,081
Current assets	\$372,314,775	\$249,527,180	\$203,194,885	\$212,502,934
Current liabilities	239,724,050	124,251,847	118,611,783	139,271,639
Net current assets or working capital	132,590,725	125,275,333	84,583,102	73,231,295
Long-term debt (excluding current portion)	52,128,558	50,750,233	7,379,395	12,230,880
Share owners' equity (net worth)	142,146,793	119,302,096	108,016,871	89,722,658
Backlog at end of year	2,195,000,000	1,610,000,000	1,089,000,000	994,600,000
Ratio of profit before taxes to net sales	5.9%	6.4%	6.7%	5.2%
Ratio of income after taxes to net sales	2.8%	3.1%	3.2%	2.3%
Total payrolls	\$445,340,000	\$321,278,000	\$302,054,000	\$312,864,000
Number of employees at year end	94,300	70,500	61,100	67,900
Number of share owners of record at year end	40,050	31,900	21,817	23,055
Preferred shares outstanding at year end	—	—	71,869	165,786
Common shares outstanding(2)	7,723,964	7,517,000	7,313,542	6,643,813
Net income per share of common(2)	(3)\$4.14	\$2.82	\$3.07	\$2.18
Working capital per share of common(2)	17.17	16.67	11.07	9.77
Share owners' equity per share of common(2)	18.40	15.87	14.28	12.26

() denotes loss or reduction

NOTES: (1) To provide a basis for comparison, the above tabulation combines amounts for Stromberg-Carlson Company and Consolidated Vultee Aircraft Corporation, merged in 1955 and 1954, respectively, with those of General Dynamics Corporation on a pro forma basis. The net income or loss of Consolidated Vultee Aircraft Corporation included herein has been restated to apply recoveries and adjustments of Federal income taxes arising from loss carry-forward provisions to the year of loss.

PRO FORMA(1)

1952	1951	1950	1949	1948	1947	1946
\$573,647,662	\$438,428,051	\$336,807,959	\$272,397,991	\$197,372,842	\$107,585,480	\$50,448,769
32,074,133	20,630,589	13,868,761	4,044,616	(6,234,114)	(33,703,999)	(8,159,952)
16,735,000	11,132,085	6,021,000	1,777,100	(3,203,758)	(24,356,600)	(7,315,917)
15,339,133	9,498,504	7,847,761	2,267,516	(3,030,356)	(9,347,399)	(844,035)
6,734,717	4,562,375	3,700,538	1,518,007	1,575,853	2,161,689	4,458,024
8,604,416	4,936,129	4,147,223	749,509	(4,606,209)	(11,509,088)	(5,302,059)
\$219,112,792	\$137,888,942	\$84,090,289	\$70,963,277	\$81,133,222	\$83,869,316	\$95,552,368
152,834,749	77,951,006	30,286,216	29,180,423	40,393,571	46,354,278	28,844,862
66,278,043	59,937,936	53,804,073	41,782,854	40,739,651	37,515,038	66,707,506
4,876,973	5,349,916	5,476,973	5,930,822	4,650,000	—	—
82,071,940	73,092,416	66,740,967	64,372,019	63,698,160	57,955,239	80,837,349
311,300,000	996,000,000	311,700,000	258,600,000	221,200,000	247,400,000	349,300,000
5.6%	4.7%	4.1%	1.5%	(3.2%)	(31.3%)	(16.2%)
2.7%	2.2%	2.3%	.8%	(1.5%)	(8.7%)	(1.7%)
\$288,473,000	\$233,141,000	\$127,261,000	\$97,922,000	\$50,244,000	\$61,058,000	\$59,907,000
72,500	68,200	48,600	31,800	33,500	34,700	29,900
22,605	21,833	19,923	19,938	19,266	20,286	19,151
232,213	236,039	236,042	236,762	238,962	239,262	239,262
6,300,486	6,233,467	6,080,267	6,076,845	6,076,845	3,985,853	4,689,426
\$2.33	\$1.42	\$1.18	\$.27	(\$.61)	(\$2.49)	(\$.27)
8.68	7.72	6.91	4.93	4.74	6.41	11.67
11.18	9.83	9.04	8.64	8.52	11.54	14.69

2) Number of shares and per share statistics were computed based upon General Dynamics common shares outstanding at respective year ends adjusted, where applicable, to give effect retroactively to (a) the exchange of shares of General Dynamics for outstanding common shares of Stromberg-Carlson Company and Consolidated Vultee Aircraft Corporation, (b) stock splits (3-for-2 in 1956 and 2-for-1 in 1955) and (c) stock dividends.

1) Includes profit on sale of subsidiary less applicable United States income tax—\$2,226,598, equal to \$.29 per common share.

CONSOLIDATED BALANCE SHEET

Assets	1956		1955	
Current Assets:				
Cash		\$ 39,052,637		\$ 38,149,234
Government securities, at cost		—		5,161,440
Accounts receivable—				
United States and Canadian Governments	\$ 20,185,707		\$23,614,001	
Other trade receivables	<u>28,321,501</u>	48,507,208	<u>22,123,510</u>	45,737,511
Unreimbursed expenditures and estimated profits on aircraft and ship contracts in process		121,969,358		78,476,773
Inventories, less progress payments, at the lower of cost or market		158,458,775		79,691,474
Prepaid expenses		<u>4,326,797</u>		<u>2,310,748</u>
Total current assets		\$372,314,775		\$249,527,180
Other Receivables and Investments		5,275,178		6,256,370
Fixed Assets, at cost:				
Land and buildings	\$ 51,951,553		\$37,390,729	
Machinery and equipment	<u>51,179,364</u>		<u>42,575,768</u>	
	\$103,130,917		\$79,966,497	
Less—Depreciation and amortization	<u>46,147,116</u>	56,983,801	<u>40,934,036</u>	39,032,461
		<u>\$434,573,754</u>		<u>\$294,816,011</u>

The accompanying notes are an integral part of the above statement.

December 31, 1956 and December 31, 1955

Liabilities and Share Owners' Equity**1956****1955****Current Liabilities:**

Notes payable to banks	\$ 10,000,000	\$ —
Accounts payable	126,431,899	66,564,372
Accrued salaries and wages	22,643,803	15,328,259
United States and Canadian income taxes	32,245,795	22,664,823
Other accrued taxes	4,083,621	2,998,790
Customers' deposits	38,580,321	11,556,888
Contract advances, less related costs	1,876,629	2,383,937
Dividends payable	3,861,982	2,754,778
Total current liabilities	<u>\$239,724,050</u>	<u>\$124,251,847</u>

Long-Term Debt:

Convertible Debentures, 3½%, due April 1, 1975 . .	\$ 39,767,000	\$40,000,000
Payable to Canadian Government under plant purchase agreements, less current installments of \$831,243 in 1956	7,640,558	10,750,233
Mortgage payable, 3¾%, less current installments of \$224,000	<u>4,721,000</u>	<u>—</u>
	52,128,558	50,750,233

Minority Interest in Subsidiary Company

574,353

511,835

Share Owners' Equity:

Common stock, par value \$1 per share—		
Authorized—15,000,000 shares		
Issued and outstanding—		
7,723,964 shares at end of 1956	\$ 7,723,964	\$13,777,215
Capital surplus	34,215,078	24,008,508
Earned surplus	<u>100,207,751</u>	<u>81,516,373</u>
	<u>\$434,573,754</u>	<u>\$119,302,096</u>
		<u>\$294,816,011</u>

The accompanying notes are an integral part of the above statement.

STATEMENT OF CONSOLIDATED INCOME

for the years ended December 31, 1956 and 1955

	1956	1955
Net Sales	\$1,047,818,510	\$687,274,182
Cost of Sales	985,114,979	642,138,424
Profit from operations.....	\$ 62,703,531	\$ 45,135,758
Deduct:		
Interest expense.....	\$ 2,649,780	\$ 1,810,892
Other income—net.....	(1,516,646)	(929,520)
	\$ 1,133,134	\$ 881,372
Profit before income taxes.....	\$ 61,570,397	\$ 44,254,386
United States and Canadian Income Taxes	31,850,000	23,000,000
Net income before special credit.....	\$ 29,720,397	\$ 21,254,386
Special Credit —Profit on sale of subsidiary less applicable		
United States income tax.....	2,226,598	—
Net income	\$ 31,946,995	\$ 21,254,386

The accompanying notes are an integral part of the above statement.

STATEMENT OF CONSOLIDATED EARNED SURPLUS

for the year ended December 31, 1956

Earned Surplus , beginning of year	\$ 81,516,373
Net Income for the Year	<u>31,946,995</u>
	\$113,463,368
Deduct Cash Dividends —\$1.73 $\frac{1}{8}$ per share (adjusted for 3-for-2 stock split) . . .	<u>13,255,617</u>
Earned Surplus , end of year	<u><u>\$100,207,751</u></u>

STATEMENT OF CONSOLIDATED CAPITAL SURPLUS

for the year ended December 31, 1956

Capital Surplus , beginning of year	\$24,008,508
Add or (Deduct):	
Transfer from capital stock to reduce stated value of shares outstanding to par value thereof	8,765,882
Capital surplus transferred to common stock in connection with issuance of 2,553,355 additional shares to effect 3-for-2 stock split	(2,553,355)
Proceeds in excess of par value on sale of 154,786 shares of common stock to employees under stock option agreements	3,766,187
Excess of principal amount over par value of 4,490 shares of common stock issued upon conversion of debentures	<u>227,856</u>
Capital Surplus , end of year	<u><u>\$34,215,078</u></u>

The accompanying notes are an integral part of the above statements.

NOTES TO FINANCIAL STATEMENTS

(1) Method of profit accrual:

Profits are recorded on certain aircraft and ship contracts, including all cost reimbursement type contracts, prior to completion thereof where, in the opinion of the management, such profits can be reasonably estimated, after taking into consideration stage of completion and estimated final costs and prices.

(2) Properties:

Substantially all of the land, buildings and equipment owned by Canadair Limited, a subsidiary company, are or will be subject to mortgages payable to the Canadian Government under plant purchase agreements as follows: (a) \$2,529,801 payable in fifteen annual installments with interest at 3% and (b) \$5,942,000 payable in nine annual installments with interest at 4% (5% after 1959).

In connection with the purchase of additional plant property for the Stromberg-Carlson Division, the Corporation assumed the mortgage thereon which amounted to \$4,945,000 at December 31, 1956. Quarter-annual payments of \$101,563 are required to provide for the payment of principal and interest with the final payment at maturity, December 15, 1968, of \$1,704,000.

Fixed assets at December 31, 1956, include land of \$2,666,054 and fully amortized or fully depreciated plant and equipment of \$23,659,620.

The provisions for depreciation and amortization charged to cost aggregating \$7,311,484 in 1956 and \$6,392,007 in 1955.

Substantial portions of plant facilities used in the operations of certain divisions of the Corporation are leased from the United States Government.

(3) Convertible debentures:

The terms of the Indenture relating to the 3½% Convertible Debentures provide, among other things, for (a) sinking fund payments of \$2,000,000 annually beginning in 1965 and continuing through 1974 and (b) restrictions on the amount available for dividends and the purchase or redemption of stock (the maximum amount available for such purposes at December 31, 1956 was \$90,156,334).

(4) Capital stock:

Of the common stock authorized but unissued, 804,023 shares are reserved for the conversion of the 3½% Convertible Debentures and 775,169½ shares are reserved for options outstanding or options issuable under the Corporation's Restricted Stock Option Plan and stock options assumed in accordance with the agreement of merger with Stromberg-Carlson Company.

Under the Corporation's Restricted Stock Option Plan, approved by the share owners in April 1951, options may be granted to officers and em-

ployees of the Corporation and its subsidiaries with respect to shares of common stock in an aggregate amount not to exceed 10% of such shares issued and outstanding at the time of the grant of an option. The plan provides that the price to be paid for the shares covered by such option shall be 95% of the fair market value thereof on the date such option is granted. Certain of the options are exercisable in whole or in part at any time during the option period, other options become exercisable in installments over a five year period from the date of grant. At December 31, 1956, restricted stock options were outstanding with respect to 372,025 shares of common stock, at varying prices, for amounts aggregating \$13,448,169. Of the restricted stock options outstanding at December 31, 1956, those for 120,825 shares will become exercisable in installments over a five year period from the date of grant. During 1956, restricted stock options for 145,442 shares of common stock were exercised for amounts aggregating \$3,759,260.

At December 31, 1956, options granted by Stromberg-Carlson Company prior to its merger with the Corporation were outstanding with respect to 2,773½ shares of common stock exercisable for amounts aggregating \$41,140. During 1956, options of Stromberg-Carlson Company for 9,343½ shares of common stock were exercised for amounts aggregating \$161,713.

(5) Employees' retirement plans:

During 1956, share owners approved noncontributory plans for certain hourly paid employees provided for in agreements with unions representing such employees and a revised contributory retirement plan covering all salaried employees of the Corporation and hourly paid employees at one of its divisions. The annual costs of the plans are determined by actuarial studies. As of December 31, 1956, the unamortized cost of past service benefits under all retirement plans including the foregoing was approximately \$56,800,000 which is expected to be amortized over a period of years. The Corporation, by action of its Board of Directors, reserves the right to modify, amend or terminate the retirement plans at any time, subject in certain instances to provisions contained in its labor union agreements. However, contributions made by the Corporation are irrevocable and may only be used for benefits provided by the plans.

(6) Contingent liabilities:

While a substantial portion of the sales for 1956 and 1955 are subject to renegotiation, the management believes that neither the Corporation nor its subsidiaries will be liable for refunds under the renegotiation acts of the United States and Canadian Governments and consequently no provision has been made therefor.

There were other contingent liabilities at December 31, 1956, consisting of guarantees, discounted notes receivable, etc., arising in the ordinary course of business. The financial risk involved, in the opinion of management, is not material.

ARTHUR ANDERSEN & Co.

67 BROAD STREET
NEW YORK 4

To the Share Owners and the
Board of Directors of

General Dynamics Corporation:

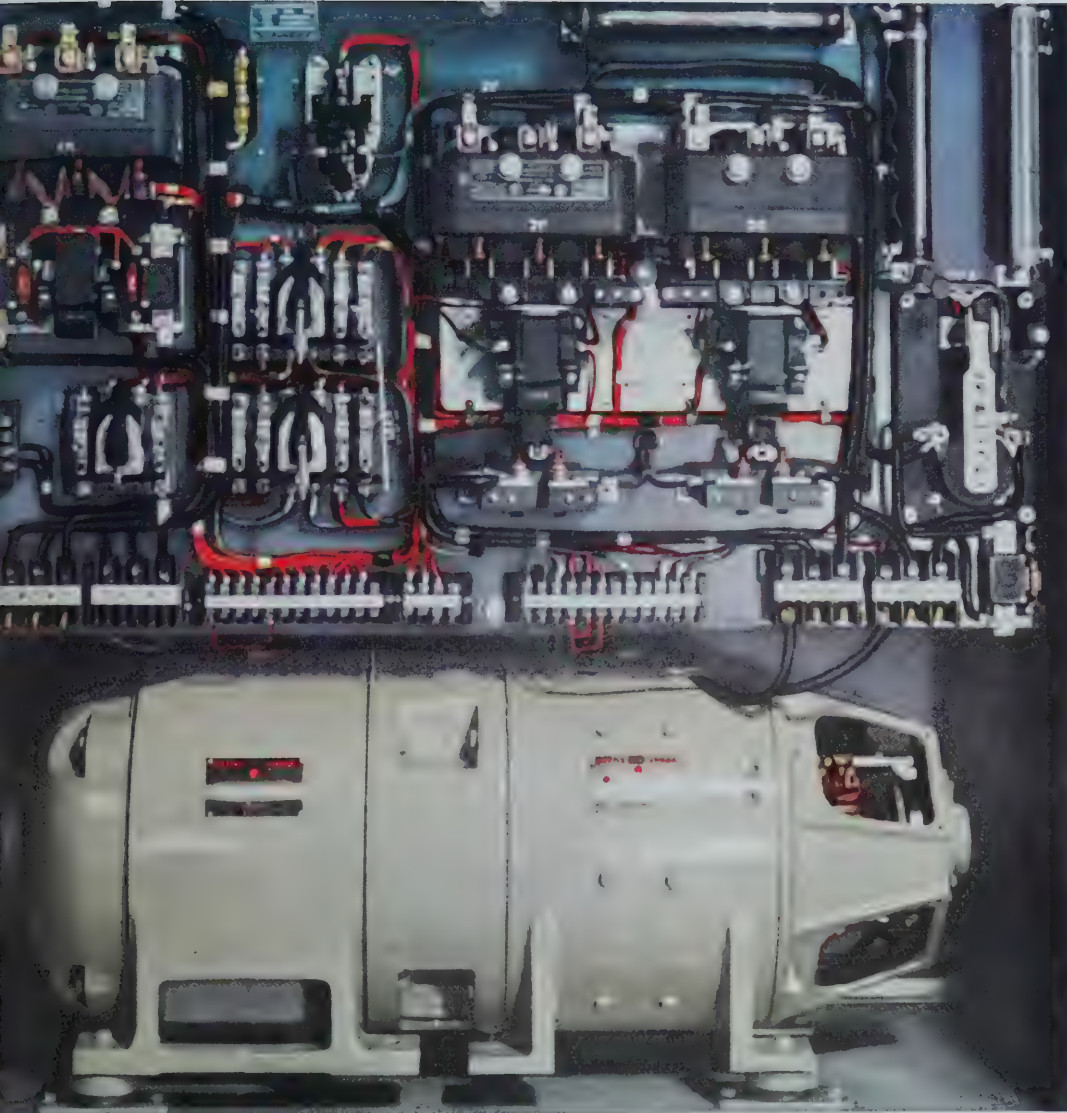
We have examined the consolidated balance sheet of General Dynamics Corporation (a Delaware corporation) and subsidiaries as of December 31, 1956, and the related statements of consolidated income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. It was not practicable to confirm receivables from the United States and Canadian Governments but we have satisfied ourselves as to such accounts by other auditing procedures.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and surplus present fairly the financial position of General Dynamics Corporation and subsidiaries as of December 31, 1956, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y.,
February 18, 1957.

Arthur Andersen & Co.

ELECTRODYNAMICS



"Selectrol" unit, *above*, consists of a motor-generator set and associated control equipment. An A. C. motor, using readily available industrial power, drives a D. C. generator which, in turn, feeds one or more D. C. motors. Use of direct current makes available accurately controllable variable speed drives for today's modern machinery. In lower horsepower ranges, such power conversion is effected by Electro Dynamic's "Selectron" through the use of static electronic equipment in place of the motor-generator set. In their proper horsepower ranges, "Selectrol" or "Selectron" provide the variable speed feature essential in today's plant automation equipment. Entrance into the field of automation represents a further step in the Division's program of market diversification and product line expansion.

HYDRODYNAMICS

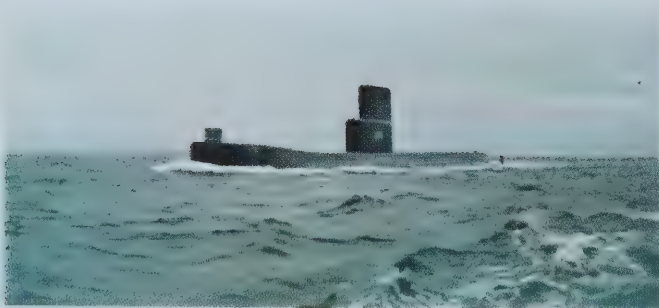


The launching of the USS Darter, *top*, and the double launching of Peruvian submarines, "Atun" and "Merlin", *left*, at Electric Boat mark the end of a technological era in marine design and propulsion. The submarine "Seawolf" *below, at left*, underway on her "builder's trials" and the USS Nautilus cruising in New York harbor, *on gatefold opposite*, symbolize the new age of nuclear power.

The atomic-powered USS Nautilus has now cruised 20,000 leagues—about 60,000 nautical miles or more than twice around the world—without refueling. Of this record distance, "Nautilus" steamed the equivalent of 34,500 miles submerged at sustained speeds far in excess of any previous submarine. Total fuel supply was lump of uranium no larger than light bulb.

Recognizing this achievement, the United States Navy gave the Corporation a "Well Done," noting that "The spectacular performance of the 'Nautilus' is due, in great measure, to the dedicated efforts, imagination, and splendid teamwork of the officials and employees of the General Dynamics Corporation."

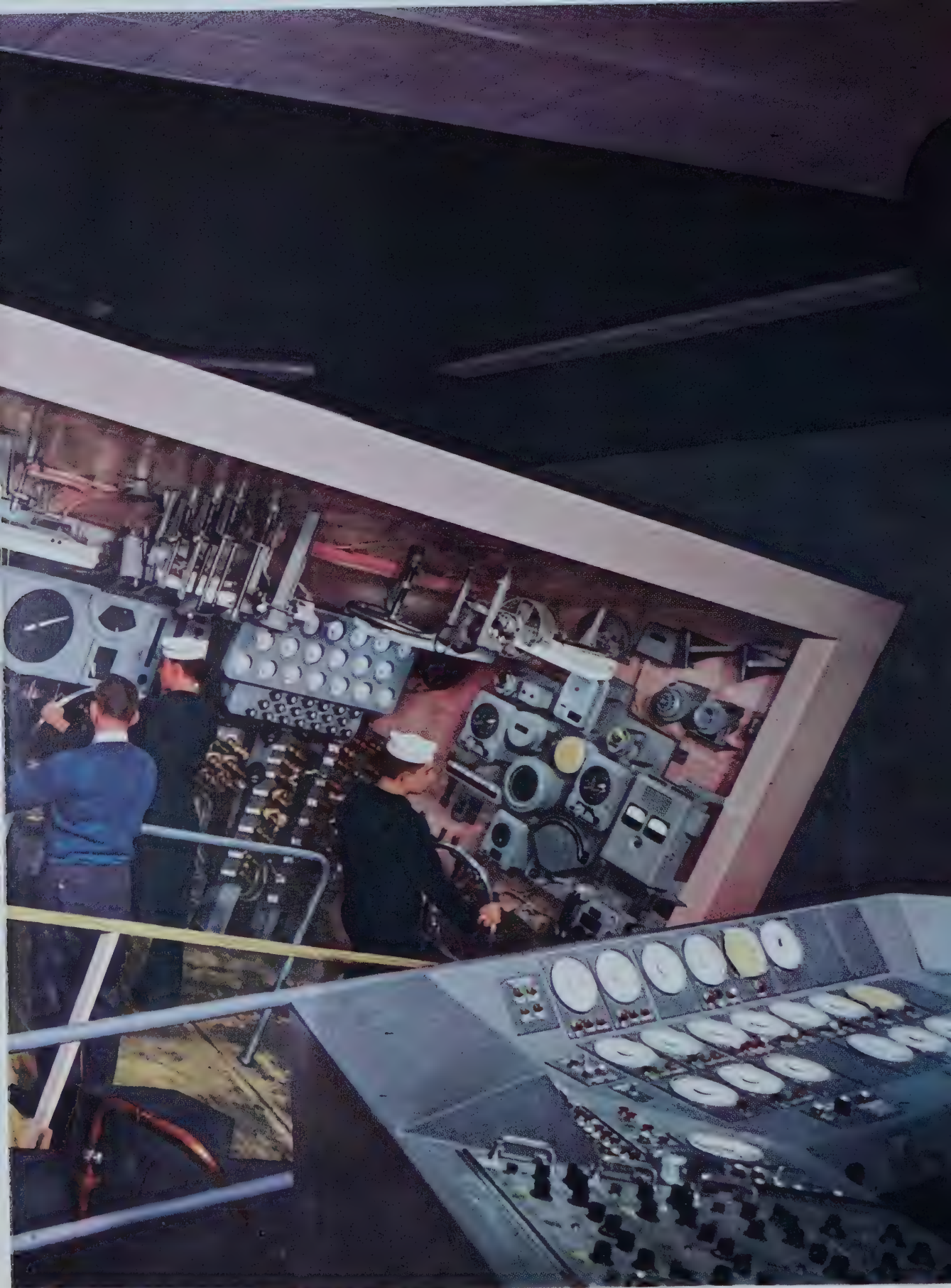
Prototypes, not only of a nuclear-powered fleet but of nuclear-powered merchant vessels as well, USS Nautilus and "Seawolf" presage a world remade by the immense, creative force of nuclear energy.











Universal Submarine Simulator, *on gatefold opposite*, lets submariners see, hear, and feel submarine action as realistically as if in control room of submarine at sea. Performance of trainee planesmen, *center*, and helmsman, *right*, is checked by the “diving officer” who has just given Simulator a heavy roll. An electronic “report card” in the console grades trainee reactions.

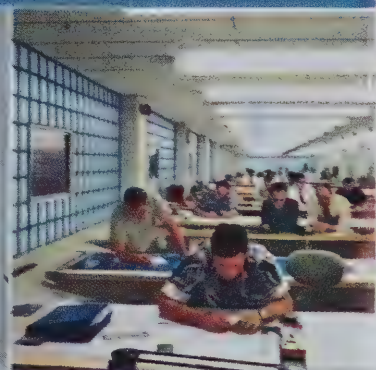
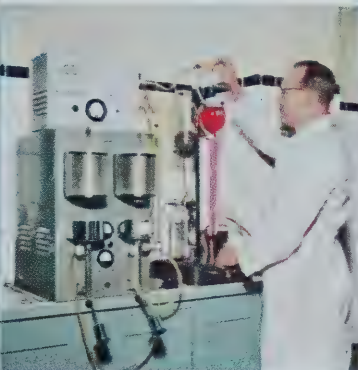
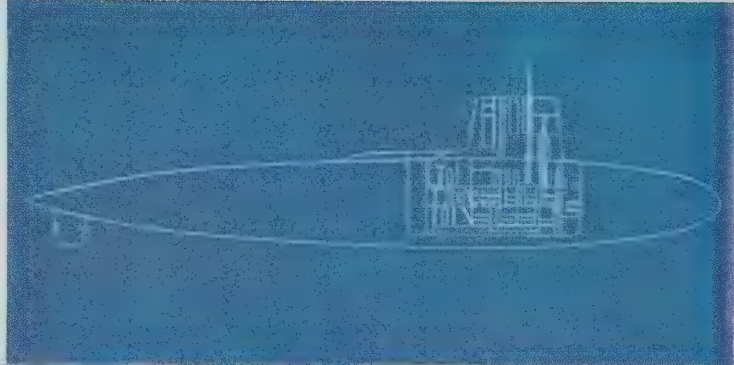
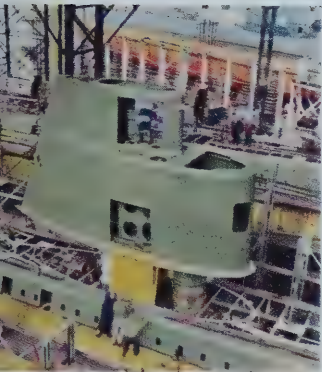


Because of power and accuracy of new weapons, surface of the sea may become impractical as means of transportation and naval support. Noiseless, nuclear-powered submarines of virtually unlimited range and high speed may well prove to be major naval defense in future war. As cargo carriers, they would maintain distant supply lines while operating with comparative safety in ocean depths. As missile launchers, they would raid deeply and decisively into an enemy's heartland. As early warning posts or scouts, they would range with relative impunity over thousands of miles of sea, tracking potential enemy forces. Prototypes of such future atomic-powered “weapons systems” are shown in the multiple construction of world's fastest submarine “Skipjack”, *at left*, “Skate”, *center*, and the 5,450 ton “Triton”, world's largest submarine, *right*, at Electric Boat's South Yard.



Hull sections for the twin atomic-reactor-powered "Triton" are the largest ever fabricated for a submarine. Hull sections are rolled to conform with shape of wooden templates and fabricated on "blocks" in sub-assembly area. Spider-like jigs furnish temporary structural support during plate fabrication of the cylinder. Hull sections are then welded by automatic welding machines, suspended overhead in stationary position. As the hull sections rotate, fusion takes place at 2,650 degrees Fahrenheit during the multiple-pass weld.

(1) Conning tower or "sail" of Peruvian submarine "Atun" is positioned on hull by overhead crane. Tubular structure just visible at *center right* is conning tower access, a part of pressure hull which is sealed by heavy water-tight hatch covers when submarine dives. (2) Skilled machinist sets water-tight cover of torpedo loading hatch for a nuclear submarine now under construction. (3) Machinists check alignment of hydraulic muzzle door shaft on torpedo tubes for installation in submarines.



From a straight-line-production shipyard in 1946, Electric Boat has progressed to the point where it is acquiring the capability to act as a "systems manager" in applying highly specialized technical and production knowledge to the design and construction of new submarine "weapons systems."

In the new Robinson Research laboratory, scientists and engineers are working on noise and vibration reduction, nuclear shielding, thermal stress, heat transfer, weapons control, shock resistance and the design of complete nuclear power plants. An expanded operations research group is currently studying integrated submarine "weapons systems." Many of these studies are being conducted jointly with other divisions of the Corporation.

At left, above, chemist analyzes carbon content of steel used in hull construction of atomic submarines. *Center,* programmer determines on analog computer velocity of a torpedo at time of its ejection from tube. *At right,* some of the more than 1,500 engineers and draftsmen at Electric Boat work at drawing boards in new design building. *Top,* simple arrangement view of world's fastest submarine "Skipjack" shows "whale-like" hull configuration. "Scorpion", a second nuclear-powered submarine of the "Skipjack" design, will be built by Electric Boat.

ELECTRONICS

Increases in production and major emphasis on electronics are the most striking changes in Stromberg-Carlson's operations since 1946. These are best illustrated by rising employment levels, expanding plant capacity, and the development of impressive new products.

Employment in 1946 totaled 2,683, of which 177 were engineers. In 1956, employment had increased to 7,129, of which 708 were engineers. The construction of additional administration and manufacturing facilities and the acquisition of a large modern plant for a new Electronics Center has recently more than doubled plant capacity. Advances in electronics, telecommunications, acoustics and automation have resulted in new products such as the transistorized switchboard, the 19-inch and the 7-inch "Charactron" Shaped-Beam tube, "Tacan", "Pagemaster" and "Digimatic".

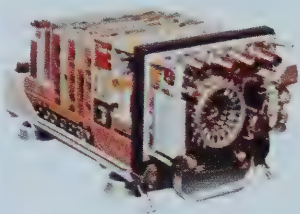
At far left, completed "Pagemaster" receivers ready for cover assembly.

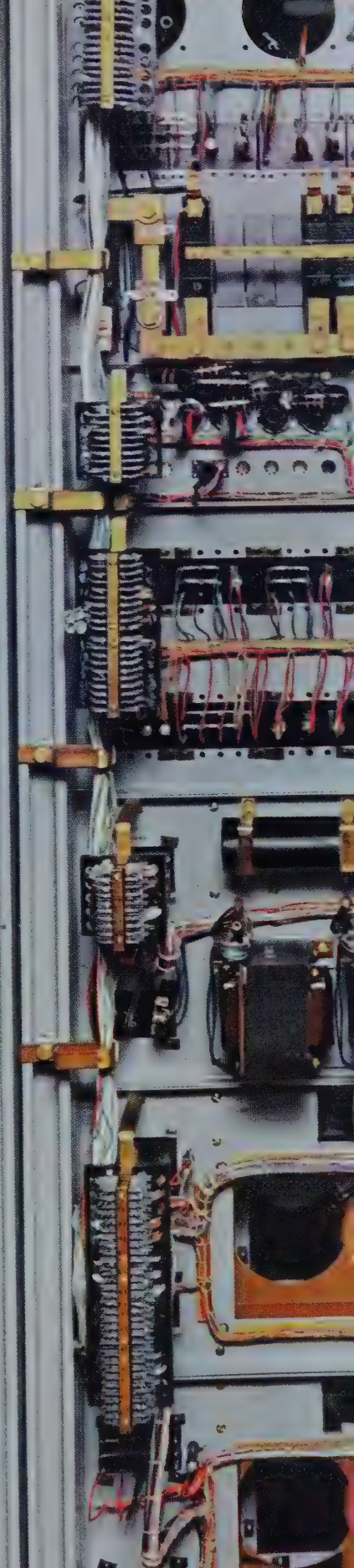
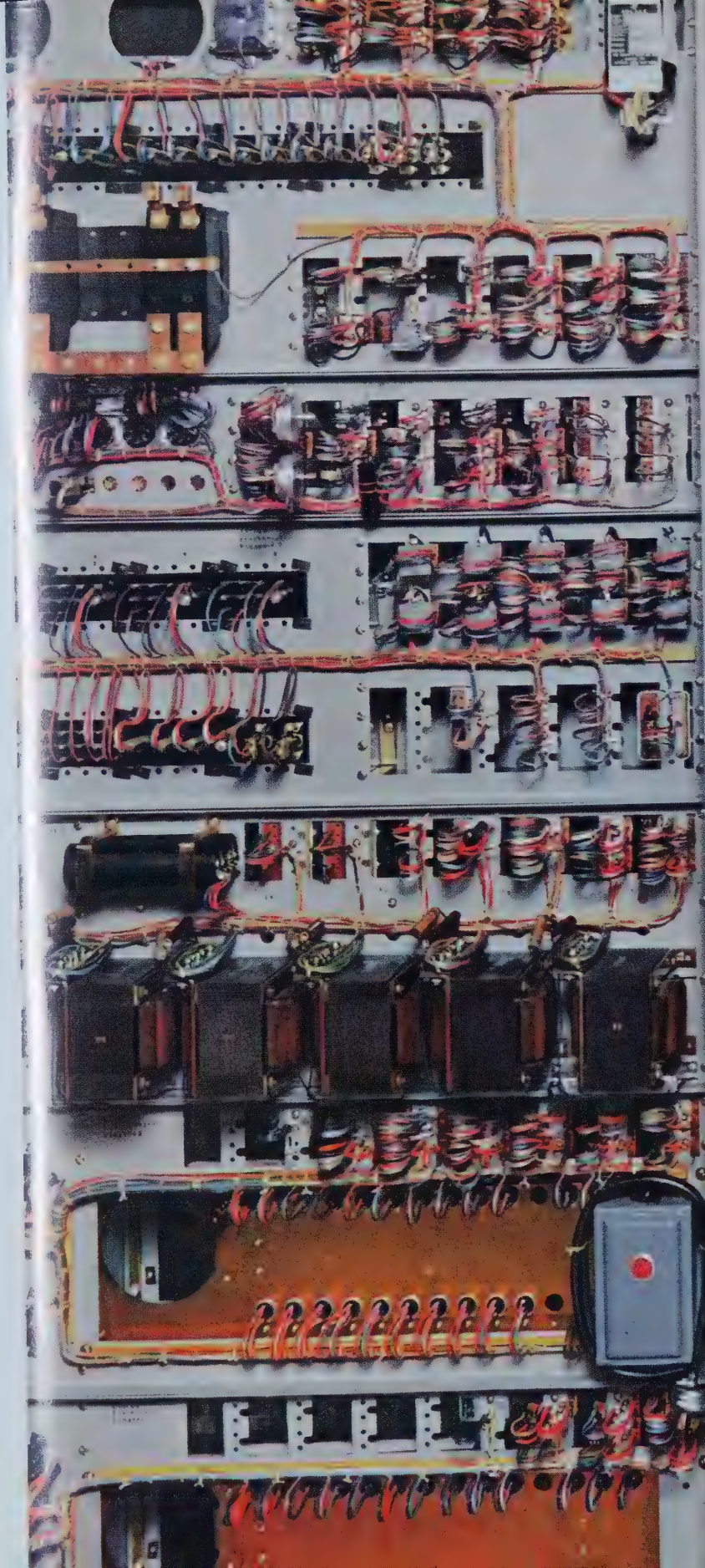
A selective radio paging device, "Pagemaster" signals person carrying it to go to nearest telephone and receive his message. Integrated with telephone switchboard, "Pagemaster" system accommodates up to 3,235 separate call signals. *Lower left, detail view of extensive punch press department.* *At top, quantity production of automobile radio speakers.*

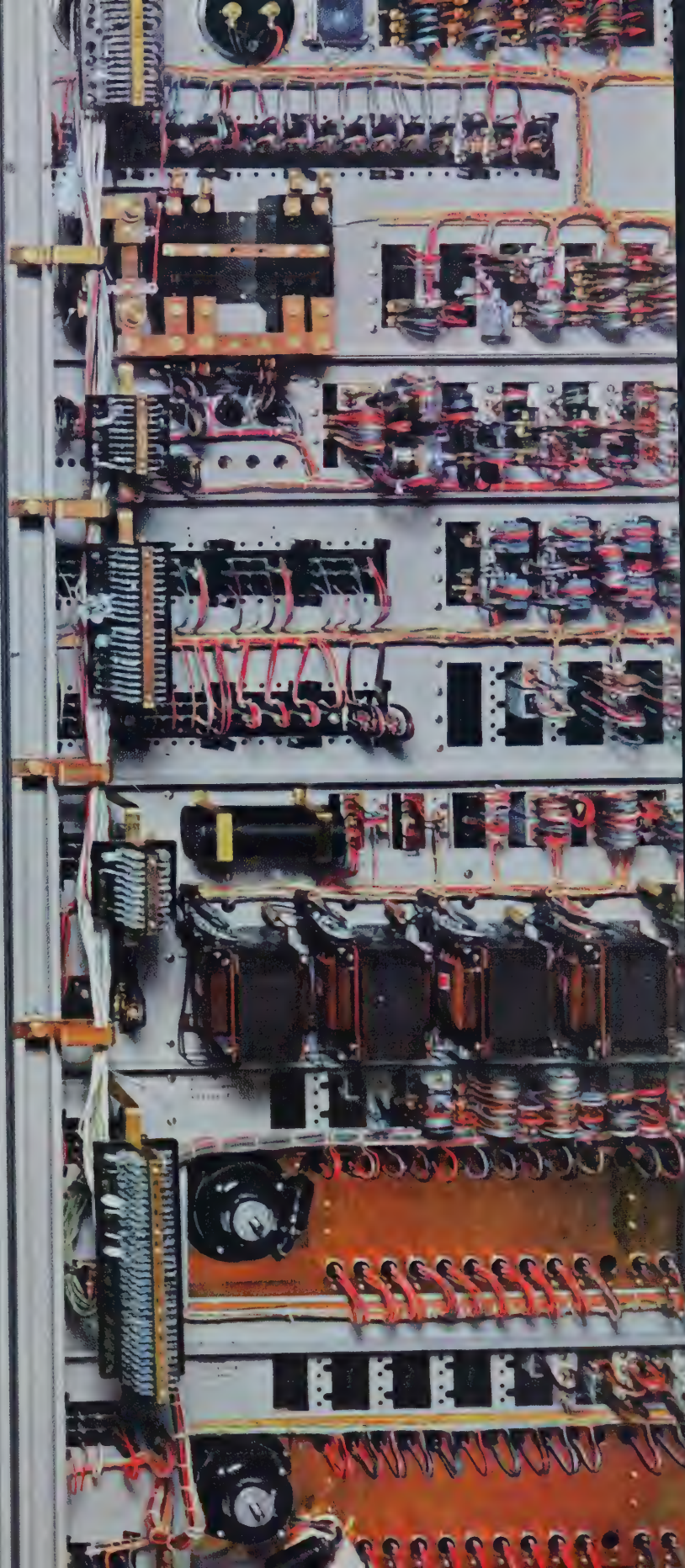
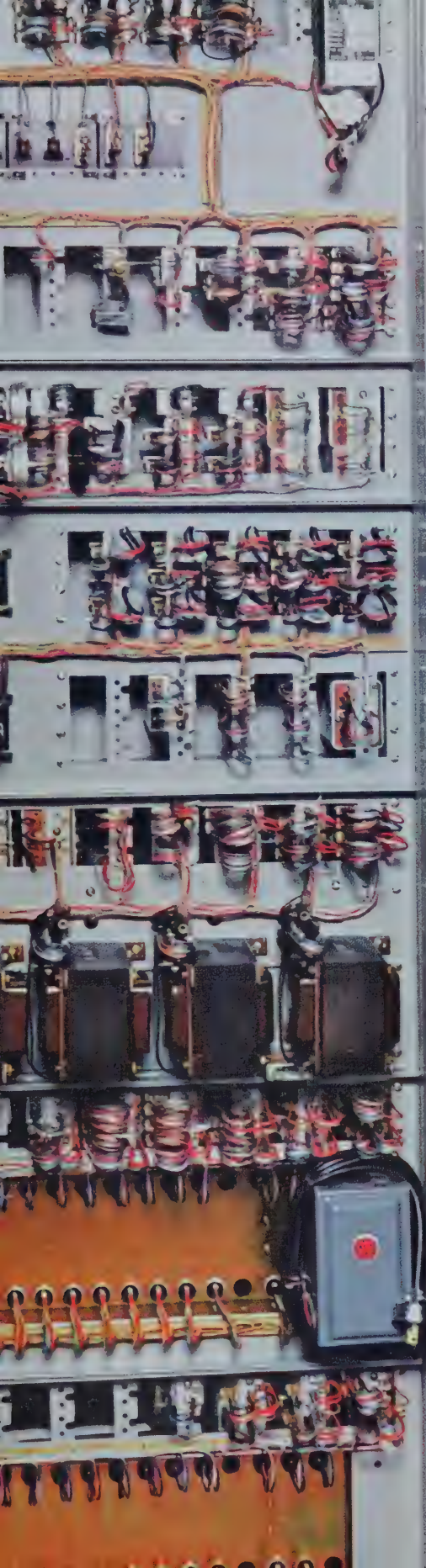
Center, completed electronic "Tacan" unit ready for cover assembly and shipment. "Tacan" (Tactical Air Navigation) automatically provides pilot with compass bearing and range to home carrier. *Bottom, circuit plate assembly line.*

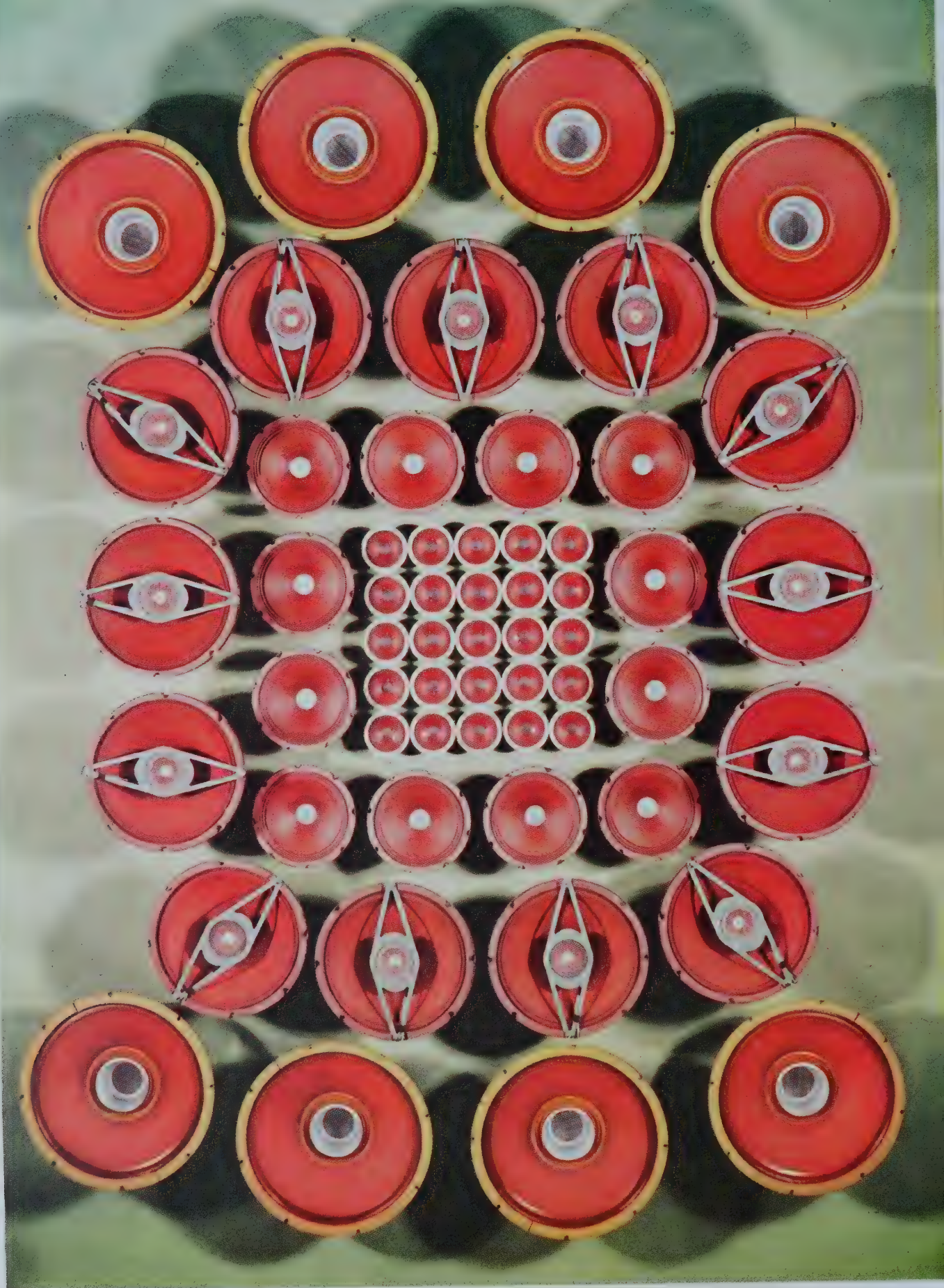
Complexity of "XY" telephone switchboards is indicated by power panels on assembly racks shown on *inside gatefold, opposite*. Though apparently of identical construction, each panel is individually engineered to meet special requirements of its particular installation.

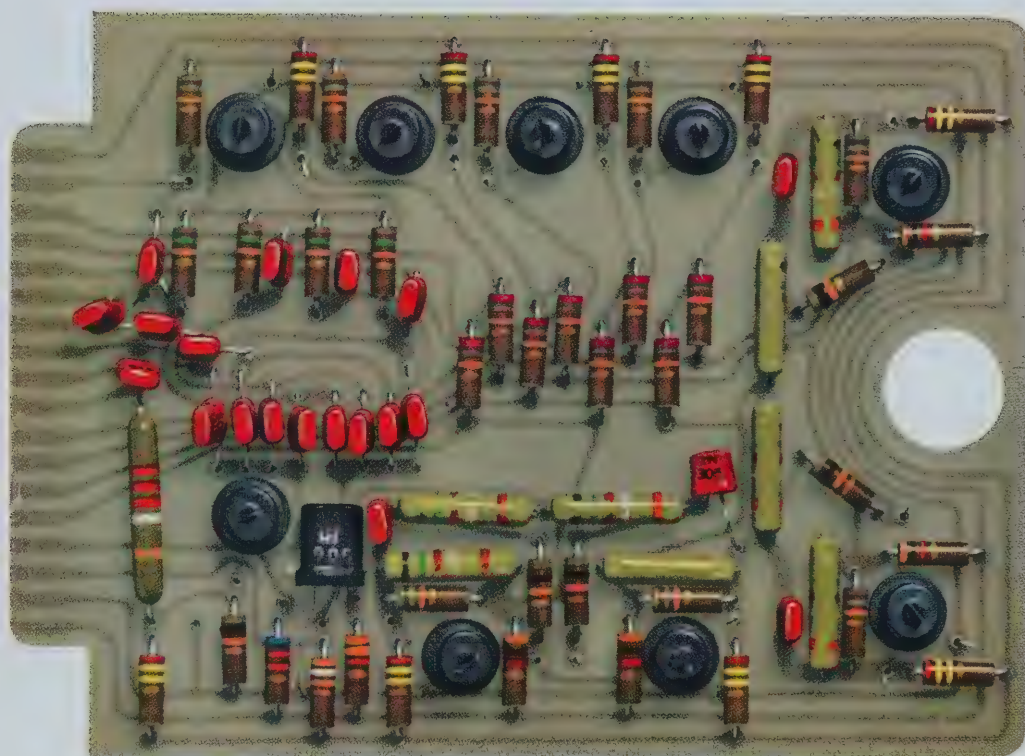
On outside gatefold, opposite, is shown control panel for 100-line, 15-link, new transistorized switchboard. Since switchboard is wholly automatic, control board is used for testing and system maintenance. At top of panel are four red signal lamps. Next are three rows of "pop-up" fuses for more specific and quick visual identification of any possible trouble area. Below fuses are two sets of pulse switches to isolate pulses for additional diagnosis.











Printed circuit, *above*, is actual size "allotter" card from Stromberg-Carlson's transistorized switchboard. Tiny red packages and larger black knobs are transistors. Faint outline of photographically printed circuit on reverse side can be seen through plastic card. Construction of card is well adapted to automatic assembly. In case of failure of any component, trouble can be traced almost immediately to card involved, card is removed, new card substituted, and operation quickly restored.

When telephone user lifts handset, he must be connected to an open link or talking path. The "allotter" card hunts through links until it finds one open, then seizes it. If all links are busy, card must return busy signal. In conventional electromechanical system, this function is performed by relays and mechanical stepping switches. Conventional equipment needed to perform functions equivalent to this card is more than six times as bulky, weighs four times as much.

On inside gatefold, opposite, are examples of current Stromberg-Carlson "Hi-fidelity" and speaker component production. Reading from center of design (1) High-frequency 3-inch "tweeters" for multiple speaker consoles (2) eight-inch speakers (3) 12-inch coaxial speakers with separate high-frequency "tweeters" and low-frequency "woofers" (4) 15-inch coaxial speakers, with "Omega-M" voice ring construction on 2.5-inch "tweeters" for smooth and faithful high-frequency response.



Above, "Digimatic" tape control system provides fully automatic operation of precision machine tools. Blueprint information is punched into keyboard, *center*, then fed into compact special purpose computer, *left*. Computer interpolates this information into directions for the machine tool and records them on magnetic tape which is entered in an electronic playback unit, *right*. This in turn controls the machine tool directly through associated servo-mechanisms and gear boxes. Using a "Digimatic" system, one semi-skilled operator can control simultaneously any desired number of machine tools performing the same or different machine operations.

Left, 19-inch "Charactertron" Shaped-Beam tube displays computer data visually at fantastic speeds. New 7-inch tube, for example, achieves a rate of 1,200,000 characters a minute. Success of high-speed printing process currently under development could have revolutionary implications in fields of computer operation and graphic arts.

Opposite, Stromberg-Carlson's sixty-foot experimental microwave tower. Microwave systems combined with multiplexing equipment permit "stacking" of multiple messages in channels for simultaneous transmission over same beam, eliminating wire or cable lines.





GENERAL DYNAMICS CORPORATION

DIRECTORS

JOHN JAY HOPKINS, *Founder and Chairman*

OTTO MARX, *Honorary Chairman*

EXECUTIVE BOARD

JOHN JAY HOPKINS, *Chairman*

FRANK PACE, JR., *Vice Chairman*

ELLSWORTH C. ALVORD

SYLVAN C. COLEMAN†

GORDON DEAN

B. EMMET FINUCANE

JOSEPH H. HIMES

EARL D. JOHNSON

HENRY M. MARX

DONALD N. McDONNELL

CLIFTON M. MILLER

FRANK C. NASH

ROBERT F. WINDFOHR

BOARD OF MANAGEMENT

FRANK PACE, JR., *Chairman*

EARL D. JOHNSON, *Vice Chairman*

GORDON DEAN

FREDERIC de HOFFMANN*

LAMBERT J. GROSS

ROGER I. HARRIS

ALLEN D. MARSHALL

JOSEPH T. McNARNEY

ROBERT P. MEIKLEJOHN*

J. V. NAISH

J. GEOFFREY NOTMAN

LAWRENCE B. RICHARDSON

CARLETON SHUGG*

ROBERT C. TAIT

JOHN F. THURSTON*

ROBERT B. WATTS

VERNON M. WELSH*

BOARD OF CONSULTANTS

OTTO MARX, *Honorary Chairman*

GEORGE W. CODRINGTON, *Vice Chairman*

EMORY S. LAND, *Vice Chairman*

WESLEY M. ANGLE

LA MOTTE T. COHÛ

I. M. LADDON

T. RODGIE McLAGAN

CHARLES B. MOMSEN*

RICHARD C. PATTERSON, JR.

REEVE SCHLEY

THOMAS A. SCOTT

†Elected April 27, 1956

*Not a director

OFFICERS

JOHN JAY HOPKINS

Chairman of the Board and President

FRANK PACE, JR.

*Vice Chairman of the Board
and Executive Vice President*

GORDON DEAN

Senior Vice President—Nuclear Energy

EARL D. JOHNSON

*Senior Vice President—Operations
and Fiscal Affairs*

JOSEPH T. McNARNEY

Senior Vice President—Convair

J. GEOFFREY NOTMAN

Senior Vice President—Canadair

LAWRENCE B. RICHARDSON

Senior Vice President—Engineering

ROBERT C. TAIT

Senior Vice President—Stromberg-Carlson

LAMBERT J. GROSS

Vice President—Finance

ROGER I. HARRIS

Vice President and Counsel

ALLEN D. MARSHALL

*Vice President—Management Planning
and Secretary*

ROBERT P. MEIKLEJOHN

Vice President—Administrative Research

VERNON M. WELSH

Vice President—Communication

FREDERIC de HOFFMANN

Vice President—General Atomic

CARLETON SHUGG

Vice President—Electric Boat

ANDREW I. McKEE

*Vice President and Director of Research
and Design—Electric Boat*

LISLE W. ADKINS

Comptroller

CHARLES P. HART

Treasurer

CANADAIR LIMITED

DIRECTORS

JOHN JAY HOPKINS, *Chairman*
DOUGLAS W. AMBRIDGE
G. PETER CAMPBELL, Q. C.
GEORGE W. CODRINGTON
J. P. EMILE COLLETTE
JOHN E. L. DUQUET, Q. C.
EARL D. JOHNSON

HENRY M. MARX
OTTO MARX
FRANK S. MCGILL
T. RODGIE McLAGAN
CLIFTON M. MILLER
J. GEOFFREY NOTMAN

FRANK PACE, JR.
W. ERIC PHILLIPS
ADELARD RAYMOND
LAWRENCE B. RICHARDSON
LESLIE E. SIMON

OFFICERS

JOHN JAY HOPKINS
Chairman of the Board and Managing Director

FRANK PACE, JR.
Vice Chairman of the Board

LAWRENCE B. RICHARDSON
Vice Chairman of the Board

J. GEOFFREY NOTMAN
President and General Manager

JOHN E. L. DUQUET, Q. C.
Vice President and General Counsel

WILLIAM K. EBEL
Vice President—Engineering

ROBERT A. NEALE
Vice President—Manufacturing

PETER H. REDPATH
Vice President—Sales

JAMES F. TOOLEY
Vice President and Comptroller

LAMBERT J. GROSS
Assistant to the Chairman—Finance

ROGER I. HARRIS
Assistant to the Chairman—Legal Affairs

EARL D. JOHNSON
Assistant to the Chairman—Development

ALLEN D. MARSHALL
Assistant to the Chairman—Management Planning

VERNON M. WELSH
Assistant to the Chairman—Communication

JOHN URWIN
Acting Secretary and Treasurer

TRANSFER AGENTS

Bankers Trust Company—New York, N. Y.
Bank of America, National Trust and Savings Association—San Francisco, California
The First National Bank of Jersey City—Jersey City, N. J.
Montreal Trust Company—Montreal, P. Q., and Toronto, Ontario, Canada

REGISTRARS

The Chase Manhattan Bank—New York, N. Y.
American Trust Company—San Francisco, California
The Royal Trust Company—Montreal, P. Q., and Toronto, Ontario, Canada
Stock listed on New York, Pacific Coast, Montreal
and Toronto Stock Exchanges

AUDITORS

GENERAL DYNAMICS CORPORATION
Arthur Andersen & Co., New York, N. Y.

CANADAIR LIMITED
Riddell, Stead, Graham & Hutchinson, Montreal, P. Q., Canada

COUNSEL

GENERAL DYNAMICS CORPORATION
Kramer, Marx, Greenlee, Backus & MacMahon, New York, N. Y. (General Counsel)
Alvord and Alvord, Washington, D. C., and New York, N. Y. (Special Counsel)

CANADAIR LIMITED
Duquet, MacKay, Weldon & Tetrault, Montreal, P. Q., Canada

EXECUTIVE OFFICES

445 Park Avenue, New York 22, N. Y.
1001 Connecticut Avenue, N. W., Washington 6, D. C.

PLANTS AND LABORATORIES

Canadair Limited—Montreal, P. Q., Canada
Convair Division—San Diego & Pomona, California
Fort Worth & Daingerfield, Texas
Electric Boat Division—Groton, Connecticut
Electro Dynamic Division—Bayonne, New Jersey
General Atomic Division—San Diego, California
Stromberg-Carlson Division—Rochester, New York
San Diego & Los Angeles, California

1957

1958

1959

1960

1961

1962

1963

1964

1965

1966

1967



